

# The "Magic" Background of Pearl Harbor



VOLUME III  
(August 5, 1941—October 17, 1941)

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# THE "MAGIC" BACKGROUND OF PEARL HARBOR

VOLUME III  
(August 5, 1941—October 17, 1941)

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*Japanese Naval Intelligence in Diplomatic Messages*

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*Japanese Diplomatic Activities Throughout the World*

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- (k) Japanese-Chungking Relations
- (l) Japanese-Nanking Relations
- (m) Japanese-Dutch Relations
- (n) Japanese-Thai Relations

## CHAPTER III

### Renewed Insistence by the Japanese Government upon Its Peaceful Purposes—Resumption of Conversations<sup>1</sup>

#### PART A—HULL-NOMURA CONVERSATIONS (August 5, 1941 – October 17, 1941)

##### **1. Tokyo Sends New Proposal to Ambassador Nomura (August 5, 1941)**

Despite Japan's efforts to solve the difficulties in Japanese-American relations, domestic issues were frequently an obstacle. Furthermore, on August 5, 1941 Foreign Minister Toyoda advised Ambassador Nomura that though he had reported that President Roosevelt and Secretary Hull, despite the opposition of American public opinion, were displaying considerable understanding in their attitude toward Japan, many Japanese were complaining against the intensified economic pressure being exerted by the United States.<sup>2</sup>

A newspaper report that President Roosevelt either had ordered the complete suspension of petroleum exports, or was about to curtail them, had created a great deal of antagonism in Japan. Warning that the continuance of such economic pressure or the maintenance of an encirclement policy would jeopardize Japanese-American relations, the Japanese Foreign Minister declared that both countries had reached the most important and most critical moment in their relations. To avert the impression that current negotiations had been begun under the threat of economic pressure, he suggested that all measures that might be construed as such should be abandoned at once.

Stating that Japan now proposed a new plan which was based on the one outlined by the last Cabinet, and which had been drawn up as a reply to the proposal of President Roosevelt on July 24, 1941 with the intention of incorporating its provisions into the final agreement, the Japanese Foreign Minister commented:

With this instrument, we hope to resume the Japanese-United States negotiations which were suspended because of the delay in the delivery of our revised proposals of 14 July and because of our occupation of French Indo-China which took place in the meantime.<sup>3</sup>

Ambassador Nomura was also instructed to explain verbally that Japan's action in peacefully occupying French Indo-China was a joint defense measure to make intervention by a third country unnecessary.<sup>4</sup> According to this explanation, Japanese public opinion had become aroused by the attitude of England, the United States and the Netherlands East Indies, and for this reason French Indo-China had to be occupied to restrain those in Japan who were clamoring for vigorous overseas action.

In his instructions to Ambassador Nomura, Foreign Minister Toyoda admitted that this explanation might not completely eliminate the sense of uneasiness felt by the United States, but he believed that at least it would be accepted conditionally. Acting on this assumption, Japan had decided that discussions on the new proposal should be conducted unofficially and in secret.

<sup>1</sup> Chapter title taken from the division arrangement of the State Department documents—*Papers Relating to the Foreign Relations of the United States-Japan, 1931-1941* in two volumes, U.S. Government Printing Office, Washington, 1943, Volume II, 343. Hereafter referred to as S.D., II.

<sup>2</sup> Appendix III, No. 1. Hereafter Appendix III will be referred to as III, 1.

<sup>3</sup> *Ibid.*

<sup>4</sup> III, 2.

Stressing the anxiety of both countries to determine the fundamental causes which had led to the present critical condition, and emphasizing the belief that America was as desirous as Japan to remove or otherwise relieve, at its source, any and all military, economic, and political uneasiness existing between the two nations, Japan made the following proposals:

(1) The government of Japan definitely promises the following:

(a) So as to remove all military threats to the territories held by the United States, Japan will not occupy any territory in the Southwestern Pacific area, other than French Indo-China. Moreover, the Japanese military forces in French Indo-China will be removed immediately upon the conclusion of the China Incident.

(b) For the purpose of removing all military and political threats to the Philippine Islands, we shall, at an opportune moment, guarantee the neutrality of those Islands. In return we ask that the Imperial Government and its people be treated in the same manner as those of all other countries, including the United States.

(c) In order to remove the cause of the unsettled economic condition between the two countries in East Asia, we will cooperate in the production of and access to the natural resources of this area which are essential to the United States.

(2) The United States definitely promises the following:

(a) For the purpose of removing military threats to the Japanese Empire and to the importing and exporting of goods to and from Japan, the United States will cease military operations in the Southwestern Pacific area. Moreover, upon the effectuating of this agreement, the United States will use its good offices to have the governments of Britain and the Netherlands East Indies to take similar steps.

(b) For the purpose of removing the causes of military, political, and economic conflict between the two countries in ----, the United States will cooperate with Japan in the production of and access to natural resources of the Southwest Pacific area particularly of the Netherlands East Indies, which are essential to Japan. Moreover, the United States will cooperate with Japan in trying to have all the latter's differences with the Netherlands East Indies settled.

(c) In connection with the above, suitable measures shall be adopted immediately by the two nations to bring about the resumption of the profitable trade relations which used to exist between Japan and the United States.

(d) In view of the promise made by the Government of Japan under (1), (a), of the above, and with a view toward bringing about a settlement of the China Affair, the Government of the United States shall use its good offices to bring about a peace conference between Japan and the Chiang regime. Also, even after the withdrawal of Japanese troops from French Indo-China, Japan's special position there will be given recognition. (Last sentence garbled, gist guessed at.)

(3) Public Announcement. (---- will be stressed verbally) as was stated above, negotiations of this proposal shall be made in secrecy. Should, however, it become evident that it would be to the interest of both nations if part or all of the points contained were made public, it shall be done at the time and in the manner agreed upon by the two participants.<sup>5</sup>

## 2. Hull-Nomura Conversation (August 6, 1941)

### (a) *State Department Report*<sup>6</sup>

On August 6, 1941 the Japanese Ambassador called on the Secretary of State to submit his government's reply to President Roosevelt's proposal of July 24, 1941. Explaining that the delay in answering had taken place in Tokyo, and that he had not received instructions until the preceding evening, Ambassador Nomura read an oral statement and then handed a copy of it to Mr. Ballantine.

The document stated that in order to mollify Japanese public opinion by counteracting the successive measures taken by the United States, Great Britain, and the Netherlands East Indies against Japan, and to preserve peace in the Pacific, the Japanese government had effected a joint occupation of French Indo-China for the purpose of self-defense.<sup>7</sup> To dispel the anxiety which America had manifested over this situation, the Japanese government had in-

<sup>5</sup>III, 2. For English text of this proposal as submitted by Ambassador Nomura to Secretary Hull, see *S.D.*, II, 549. The English text was also sent to Tokyo by Ambassador Nomura, III, 3-5.

<sup>6</sup>"Memorandum of a conversation", initialed by Mr. Joseph W. Ballantine, August 6, 1941, *S.D.*, II, 546-548.

<sup>7</sup>"Oral statement handed by the Japanese Ambassador (Nomura) to the Secretary of State on August 6, 1941", *S.D.*, II, 548-549. See III, No. 1 for text as sent by Tokyo on August 5, 1941.

structed Ambassador Nomura to enter into negotiations on an "off the record" basis, and to submit a proposal which was intended as a reply to the suggestion made by President Roosevelt on July 24, 1941. This would serve as a fresh basis for a Japanese-American understanding. Any agreements resulting from the negotiations would be then incorporated into the general formula for the adjustment of Japanese-American relations.

Japan believed that both countries realized it was more than ever necessary to examine calmly with mutual understanding the diverse viewpoints of the two nations. In order to remove the causes responsible for military, political, and economic friction between Japan and the United States, the Japanese government would agree not to station troops in the Southwest Pacific, except in French Indo-China, and to withdraw its army even from that area when the China Incident had reached a settlement.

In turn, America was to suspend its military measures in the Southwest Pacific area and was to advise Great Britain and the Netherlands to take similar steps. Japan also guaranteed the neutrality of the Philippine Islands, provided that discriminatory measures would not be taken against Japanese subjects by either the United States or any other nation. By close co-operation between Japan and the United States in the production and procurement of such natural resources as might be required by either country, normal trade relations were to be restored.<sup>8</sup>

Although Ambassador Nomura wished to discuss the contents of the Japanese proposal immediately, Secretary Hull pocketed the copy given him, and suggested that any discussion of it be postponed pending his study of the document. Admitting to the Japanese Ambassador that he was pessimistic regarding the value of the proposal which had been mentioned in the Japanese representative's oral statement, Secretary Hull referred to the arduous but unsuccessful efforts made by both men to improve relations between the United States and Japan.

Pointing to the continuous agitation in the government-controlled Japanese press and to statements of high officials advocating a policy of force and conquest, Secretary Hull drew a parallel between the Japanese contention that their's was strictly a campaign of precautionary aggression, and German insistence that its action in Europe and its war against Russia was a matter of self-defense. In view of the Japanese belief that the United States was endeavoring to encircle Japan, Secretary Hull felt that future conversations would be valueless. The meeting was then concluded on a defeatist note.<sup>9</sup>

#### (b) *Ambassador Nomura's Report*<sup>10</sup>

Ambassador Nomura reported that on the evening of August 6, 1941 he called on Secretary Hull to carry out the instructions received from Tokyo on August 5, 1941. Having made a detailed explanation of Japan's intentions, he then submitted Japan's proposal in English to the Secretary of State.<sup>11</sup> Secretary Hull promised to study the proposal carefully, but, according to Ambassador Nomura, he had not seemed to take much interest in it, and had begun to express his opinions on current Japanese-American relations without further mention of the proposal. Ambassador Nomura summarized the Secretary Hull's statement as follows:

Setting aside the relations between him and me, he said he was greatly disappointed in the actions Japan has been taking one after another, and that so long as Japan does not give up the policy of force, there was no use talking.

So long as the Japanese Government authorities say that what the United States is doing is encirclement of Japan, he could not expect anything of Japan ("I can expect nothing from you"). When we wish to live in peace and security, HITLER, saying that he was acting in self-defense, mows down everything that stands in his way.<sup>12</sup>

<sup>8</sup>"Proposal by the Japanese Government Handed by the Japanese Ambassador (Nomura) to the Secretary of State," August 6, 1941, *S.D.*, II 549-550. See II, No. 2 for text as sent by Tokyo on August 5, 1941.

<sup>9</sup>*S.D.* II, 546-548.

<sup>10</sup>III, 6-7.

<sup>11</sup>III, 3-5, 6.

<sup>12</sup>III, 6-7.

Ambassador Nomura came away from this interview convinced that no matter what explanation was offered, it could not convey Japan's intentions to the leaders of the United States. Moreover, he felt that the United States was determined to deal with any situation.<sup>13</sup>

### 3. Tokyo Requests an Immediate Report from Ambassador Nomura

On August 6, 1941 Foreign Minister Toyoda complained to Ambassador Nomura that he had not yet received a report concerning the action he had requested the Japanese Ambassador to take on July 23, 1941.<sup>14</sup> Unfortunately, the message indicating the action to be taken was garbled either in transmission or interception, and American cryptanalysts were unable to discover the nature of the request.<sup>15</sup> In view of his previous dilatoriness, Ambassador Nomura was ordered to report immediately the results of his interview with Secretary Hull on August 6, 1941 concerning the New Japanese proposal.<sup>16</sup>

As a result of this reprimand, Ambassador Nomura replied that he had sent several reports relating to discussions between Minister Wakasugi and Messrs. Welles and Hamilton which had indicated that the American authorities saw no course but to end the conversations.<sup>17</sup> Ambassador Nomura also reported that the publisher of the Army-Navy Journal, had called upon him to state that the American people, including even the middle west isolationists, supported the administration's policies toward Japan. According to Ambassador Nomura, he was deeply concerned that only a few Americans of influence were sympathetic toward Japan.<sup>18</sup>

### 4. Japan Again Proposes a Konoye-Roosevelt Conference (August 7, 1941)

Japanese-American relations were so critical that on August 7, 1941 Foreign Minister Toyoda informed Ambassador Nomura that a policy of "laissez faire" should no longer be pursued. He suggested, therefore, that a conference be held as soon as possible between Prime Minister Konoye and President Roosevelt. Though the subjects to be considered would depend greatly on the time at which the conference was held, in general the discussion would be conducted along the lines of the present negotiations.

To save time, the conference would last no longer than a few days, and it was hoped that the delegation would be restricted to a minimum number of persons. Strict secrecy was to be observed until the calling of the conference was definitely agreed upon, at which time a public announcement could be made, if President Roosevelt had no objection. The Japanese Foreign Minister informed Ambassador Nomura that, to ensure secrecy, the American Ambassador in Tokyo was not being advised of this new proposal.<sup>19</sup>

If there were any truth in the rumors concerning the resignation of Secretary Hull and the imminence of a general embargo on all shipments of petroleum products to Japan, Foreign Minister Toyoda informed Ambassador Nomura, it would hardly be worthwhile for Japan to propose this conference. Therefore, Ambassador Nomura was requested to investigate immediately and report his findings to Tokyo.<sup>20</sup>

### 5. Ambassador Nomura Reports on Current American Policy Toward Japan

At approximately the same time that Foreign Minister Toyoda was reprimanding Ambassador Nomura for his failure in making prompt replies to his specific questions, Ambassador Nomura

<sup>13</sup> II, 7.

<sup>14</sup> III, 8.

<sup>15</sup> III, 9.

<sup>16</sup> III, 8.

<sup>17</sup> III, 10.

<sup>18</sup> II, 11.

<sup>19</sup> III, 12.

<sup>20</sup> III, 13.

submitted a report to Tokyo concerning recent modifications in the policy of the United States toward Japan.<sup>21</sup> Although agreeing that Japanese-American relations had reached an extremely critical stage, Ambassador Nomura commented that such a condition was the inevitable result of Japan's own action in following other essential policies.

Remarking that the United States believed the Axis nations to be working hand in hand to conquer the world, Ambassador Nomura reported that his insistence in explaining that Japan was guided solely by the principles of the brotherhood of mankind had led to the beginning of unofficial discussions with the Secretary of State. However, the occupation of French Indo-China by Japan had put an end to those same discussions and, according to recent conversations with Secretary Hull and Acting Secretary Welles, the United States had returned to its original position with regard to Japan. Secretary Hull had been bitterly disappointed because he had been very interested in bettering relations between Japan and the United States, and both he and his very good friend, Postmaster General Walker, had been very much embarrassed by the turn of events.

Although American authorities claimed that the policy of the United States toward Japan was not one of unfriendliness, since it was taking measures only to counteract certain steps taken by Japan, Ambassador Nomura pointed to the freezing order and the export embargo issued by the United States, and the joint warning by Secretary Hull and Foreign Minister Eden with regard to Thailand as indications that there was no doubt that the United States was prepared to take drastic action against Japan. Furthermore, in view of the friendly relations between the United States and Russia, Ambassador Nomura doubted that the United States would remain on the sidelines if Japan attacked to the north. Reports of a conference between high British and American military and naval authorities on aid to Russia and the Far Eastern question had attracted Japanese attention.<sup>22</sup>

Ambassador Nomura reminded Tokyo that its Axis partner, Germany, was exercising the utmost precautions in dealing with the United States and had even gone so far as to issue peace terms in an attempt to influence American public opinion. He also pointed out that the trend which was influencing the United States to center its attention on relations with the Japanese would increase in the near future. Ambassador Nomura concluded as follows:

I have submitted my humble opinions before and they are unchanged today. Our country is at present standing at a most critical crossroads. My only desire is that we choose the right road, for the sake of the future of our country.<sup>23</sup>

## 6. Hull-Nomura Conversation (August 8, 1941)

### (a) *State Department Report*<sup>24</sup>

At a meeting requested by the Secretary of State, Ambassador Nomura was presented with a reply to the August 6, 1941 proposal of the Japanese government. According to this American document, President Roosevelt had proposed that if the Japanese government would withdraw its forces from French Indo-China, and would refrain from the establishment of bases there by means of its military and naval strength, the government of the United States would guarantee for itself, and would also attempt to obtain from China, Great Britain, and the Netherlands, a binding commitment to regard French Indo-China as a neutral country similar to Switzerland.<sup>25</sup> Not only would these governments forego any military act of aggression against

<sup>21</sup> III, 14.

<sup>22</sup> III, 14-15.

<sup>23</sup> III, 14.

<sup>24</sup> "Memorandum of a Conversation", initialled by Mr. J. W. Ballantine, August 8, 1941, *S.D.*, II, 550-551.

<sup>25</sup> "Document handed by the Secretary of State to the Japanese Ambassador (Nomura)", August 8, 1941, *S.D.*, II, 552-553. The English text of this document was sent in Japanese code to Tokyo on August 8, 1941. See III, 16-18.

French Indo-China, but they would also permit local French authorities to remain undisturbed in the administration of their territory. This proposal, in its entirety, had been subsequently extended to include Thailand.

In view of Japan's thorough acquaintance with America's many attempts to found a broad understanding, calculated to establish and maintain a peace in the Pacific which would be beneficial to all the countries concerned, the United States felt that the Japanese proposals of August 6, 1941 were lacking in responsiveness.<sup>26</sup>

After reading the reply of the United States to gain its import, the Japanese representative re-asserted his country's desire to adjust relations with the United States. As a means of attaining this end, he suggested a conference in Honolulu between the heads of the two governments. Mr. Hull replied that if the conversations between the officials of Japan and the United States had produced a basis for mutual understanding, they would now be able to go forward along a policy of peace. However, the loss of control by the peaceful faction in the Japanese government had proven too formidable an obstacle, and Secretary Hull had been forced to notify the Japanese Ambassador that the measures taken by his government had removed the basis for the "understanding" which they had been discussing.

According to Secretary Hull, the Japanese press was being constantly stimulated to stress the alleged encirclement of Japan by the United States. Ambassador Nomura replied that the Japanese press was being inspired only to invigorate his people and it was not attempting to counteract the efforts of the government to improve relations with the United States.

When asked by Ambassador Nomura if this constituted an answer to his suggestion that the heads of the two governments should meet, Secretary Hull replied that the responsibility for shaping suitable policies of peace now rested with the Japanese government.<sup>27</sup>

(b) *Ambassador Nomura's Report*<sup>28</sup>

Ambassador Nomura informed Tokyo that he had received from the Secretary of State a reply to the proposal he had submitted on August 6, 1941. According to Ambassador Nomura, the document indicated that the United States had not compromised in the least beyond what President Roosevelt had said previously.

To Ambassador Nomura's proposal that the leaders of the two countries meet for a conference in Hawaii, Secretary Hull replied that the United States had been making preparations for that purpose since Japan had agreed to participate in such a conference. Secretary Hull pointed out, however, that since his talks with Ambassador Nomura had demonstrated that the two countries were in conflict and that Japan's policy had not been altered, there was no point in holding such conferences. Mr. Ballantine agreed with this statement and declared that the use of force could not go hand in hand with the maintenance of the peace in the Pacific.

Both Secretary Hull and Mr. Welles commented on Japan's constant prating about an encirclement policy, but Ambassador Nomura replied that though the United States was absolutely safe from the viewpoint of defense, it continued to claim that many dangers were surrounding it in order to have an excuse for expanding its national defense.

Ambassador Nomura was convinced that American authorities would negotiate with Japan only if it stopped further military operations. Believing, in view of this, that there was not the slightest chance of a parley with Japanese officials, Ambassador Nomura suggested that the Japanese Foreign Office have Ambassador Grew in Tokyo stop his activities to bring about the conference of leaders.<sup>29</sup>

<sup>26</sup> S.D., II 552-553. See III, 17-18.

<sup>27</sup> S.D., II, 550-551.

<sup>28</sup> III, 19-20.

<sup>29</sup> *Ibid.*

## 7. Foreign Minister Toyoda Again Urges a Roosevelt-Konoye Conference

On August 9, 1941 Foreign Minister Toyoda emphasized to Ambassador Nomura the importance of having the proposal for a meeting between the leaders of the two nations submitted to President Roosevelt immediately. The Japanese Ambassador was directed to explain to the American President the advantages that would be derived therefrom.<sup>30</sup>

Ambassador Nomura promptly replied that he would call on President Roosevelt as soon as the latter had returned to Washington, and that he would do everything in his power to make a favorable impression. However, the Japanese Ambassador was convinced that as long as Japan proceeded along the lines of its present policy, the United States would not deviate from its established course. After warning Tokyo that the United States considered Japan's occupation of French Indo-China as a definite indication of an aggression policy, Ambassador Nomura declared that both President Roosevelt and Secretary Hull were in complete agreement, and that it would be a mistake to try to differentiate between their attitudes.

In view of the firm stand expressed by the United States on August 6 and August 8, 1941, Ambassador Nomura felt that even the offer of Prime Minister Konoye to come to the United States would not move American authorities to any perceptible degree. Remarking that he did not expect too much from the interview he planned to have with President Roosevelt, Ambassador Nomura expressed his pessimism concerning the present critical state of affairs. He stressed the need for evolving some plan which would persuade the United States to change its policy toward Japan.<sup>31</sup>

Three days later Foreign Minister Toyoda sent another urgent message explaining that though the Americans apparently considered the Japanese proposals made in reply to President Roosevelt's suggestions to be Japan's final answer, this was not necessarily the impression which Japan intended to convey. Prime Minister Konoye was willing to confer further with the President of the United States along general lines with a view to maintaining world peace.<sup>32</sup>

## 8. Colonel Iwakura and Mr. Ikawa Are Recalled to Japan

Ambassador Nomura notified Tokyo on August 9, 1941 that Colonel Hideo Iwakura and Mr. Ikawa had returned to Japan aboard the *Tatsuta Maru*. Expressing his appreciation for the complete cooperation and great help he had received from these officials, Ambassador Nomura asked that certain Japanese authorities be informed of their excellent work.<sup>33</sup>

It will be recalled that Ambassador Nomura had been severely reprimanded by Foreign Minister Matsuoka, when the latter was in office, for having used the term "associates" in describing the status of these assistants.

## 9. Counselor Iguchi Suggests a Propaganda Campaign in Japan

Counselor Sadao Iguchi of the Japanese Embassy in Washington submitted a report to Secretary Tasiro in Tokyo on August 11, 1941, in which he emphasized the firm attitude of the United States toward Japan, and stressed his belief that the United States would resort to war, if necessary.<sup>34</sup>

Indicating his realization that the Japanese government was fully cognizant of the dangerous situation, Counselor Iguchi commented, however, on the general unawareness of the Japanese public concerning the firm stand being taken by the United States toward Japan. He believed that the Japanese people were guilty of wishful thinking in regard to the United States, and, if the worst came, they would be taken completely by surprise.

<sup>30</sup> III, 21-22.

<sup>31</sup> III, 23-24.

<sup>32</sup> III, 25.

<sup>33</sup> III, 26.

<sup>34</sup> III, 27.

In view of this, he suggested that the Intelligence Section of the Cabinet or some other group should start a campaign to enlighten the Japanese people concerning the real attitude of the United States, so that they could be prepared for any eventuality. He suggested that the reports, concerning European and American intelligence, issued by the Intelligence Section of the Foreign Office, should contain more concrete information.<sup>35</sup>

#### 10. Prime Minister Toyoda Reprimands Minister Wakasugi

On August 12, 1941, Foreign Minister Toyoda ordered Minister Wakasugi, who was in Los Angeles, to make no further public comments on the Japanese-American question until he had reported to the Foreign Office in Japan. This reprimand was occasioned by an interview which Minister Wakasugi had given over the international telephone to the Japanese press. The newspaper report had heightened the critical nature of the Japanese-American question because of its effect upon various Japanese groups. Mr. Wakasugi was also directed not to give the impression that he was bearing any important proposals from the United States.<sup>36</sup>

Mr. Wakasugi immediately expressed his amazement that his interview could have made difficult the position of his government in regard to the delicate Japanese-American relations, since he had no other motive than the desire to make a frank and fitting statement. In addition, he had no intention of implying any lessening of America's responsibility in the matter.<sup>37</sup>

#### 11. Ambassador Nomura Confers with an American Cabinet Member (August 13, 1941)

On August 13, 1941 Ambassador Nomura conferred with an American Cabinet member whose name was not given in the Japanese Ambassador's report to Tokyo, but who may be presumed to have been Postmaster Frank C. Walker, known to be working behind the scenes with Secretary Hull to effect a peaceful solution to Japanese-American difficulties. Though expressing his conviction that the Japanese occupation of French Indo-China had been assisted by Germany's pressure on the French government, the Cabinet member said that he agreed with President Roosevelt and Secretary Hull with regard to the desirability of maintaining peace in the Pacific.<sup>38</sup>

Ambassador Nomura believed that Japan could not remove its troops from French Indo-China at present, but that when a favorable opportunity arose, they would be evacuated. When he mentioned a conference of the leading men of Japan and the United States as a means of surmounting the present crisis, even though a completely satisfactory solution might not be achieved, the American official did not show much enthusiasm, but promised to discuss the matter with Secretary Hull.

Declaring that the American press was paying more attention to Japan than to Germany, Ambassador Nomura referred to newspaper stories suggesting that the United States Navy concentrate all of its forces in the Pacific, and that Britain and the United States pool their navies to ensure having the necessary power in that area. Several writers had commented that Congress would more likely agree to war against Japan than against Germany.<sup>39</sup>

Stating that he would not deny the statements, the American Cabinet member remarked that Japan's excellent navy would be exceedingly troublesome if combined with that of Germany. Although the United States foresaw future trouble with Russia, it worked jointly with the Soviet Union in order to destroy Hitlerism.

<sup>35</sup> III, *Ibid.*

<sup>36</sup> III, 28.

<sup>37</sup> III, 29.

<sup>38</sup> III, 30.

<sup>39</sup> *Ibid.*

Ambassador Nomura remarked that pressure against Japan was exceedingly harmful. If the Japanese people were to adjust themselves and act in accordance with the policy desired by the United States, then their problems must be handled from an entirely different viewpoint.<sup>40</sup>

## 12. Hull-Nomura Conversation (August 13, 1941)

### (a) *Secretary Hull's Report*<sup>41</sup>

Secretary Hull requested that the Japanese Ambassador call on him on August 13, 1941 to receive a statement citing mistreatment of Americans and injury to American rights in places under Japanese jurisdiction.<sup>42</sup> After the Japanese Ambassador had read the document, Secretary Hull said that he could not understand Japan's purpose in allowing these injustices to continue, and, therefore, had felt that a summarization of the incidents should be presented to the government of Japan.

According to Secretary Hull, the Japanese Ambassador agreed wholeheartedly with his views and said that he would be glad to take the matter up with his government. Secretary Hull then informed Ambassador Nomura that he might have other material to present to the Japanese government by Saturday, August 16, 1941, or Sunday, and in answer to a question concerning his availability, the Japanese Ambassador stated that he would be in Washington at that time.

Secretary Hull then introduced a question relating to the alleged promise of Japan not to bomb Chungking after the *U.S.S. Tutuila* incident.<sup>43</sup> Recounting how the Japanese Ambassador had called on Mr. Welles on July 31, 1941 to express officially to President Roosevelt Japan's deep regret over the bombing of the *U.S.S. Tutuila* at Chungking, Secretary Hull reminded Ambassador Nomura that he had assured the United States that the bombing had been an accident. In order to prevent similar incidents, Japan had promised to suspend all bombing operations over the city area of Chungking. Japan had requested that this suspension of bombing operations be regarded as strictly confidential and had offered to pay full indemnity for any damage to American properties. At that time, the Japanese Ambassador had informed Mr. Welles that he himself had recommended this procedure to his government.<sup>44</sup>

In view of this action, the American government had considered the incident closed, but on August 8, 10 and 12, 1941 three dispatches had given accounts of new bombings by Japanese planes at Chungking. A telegram dated August 11, 1941, from the American Embassy at Chungking reported that, during the past four days, Chungking had been subjected to unusually heavy and prolonged air raids. Not only had districts outside the city been bombed, but the city area also had been affected, though no bombs had been dropped in the area directly opposite the anchorage of the American gunboat and the United States Chancery. At least one American residence had been demolished, and other residences within the city area had been damaged. In view of these occurrences, the United States requested an explanation and an indication of Japan's attitude and intentions regarding its pledge of July 31, 1941.

The Japanese Ambassador promptly replied that Japan had promised only to cease bombing the city area temporarily and not indefinitely. Although believing that Mr. Welles had understood this stipulation, Ambassador Nomura stated that he might have failed in his efforts to inform the Under Secretary. Nevertheless, he reiterated that this was Japan's position.<sup>45</sup>

<sup>40</sup> *Ibid.*

<sup>41</sup> "Memorandum by the Secretary of State", August 13, 1941, *S.D.*, I, 907-908.

<sup>42</sup> "The Department of State to the Japanese Embassy", *S.D.*, I, 908-910; III, 31

<sup>43</sup> "Memorandum by the Secretary of State", August 13, 1941, *S.D.*, I, 907-908.

<sup>44</sup> "The Department of State to the Japanese Embassy", August 12, 1941, *S.D.*, I, 723-724.

<sup>45</sup> *S.D.*, I, 908.

(b) *Ambassador Nomura's Report*<sup>46</sup>

Ambassador Nomura stated that at four o'clock in the afternoon of August 13, 1941 he had called on the Secretary of State, who had handed him the note mentioned above. Secretary Hull had remarked that he had no intention of releasing the note for publication since it would aggravate unduly public opinion. Though there were only a few hundred United States' citizens in Japan, there were a hundred odd-thousand Japanese in America.

Ambassador Nomura replied that Japan was taking action to parallel the freezing order of the United States, and was also enacting measures against individuals, similar to those in operation against the Japanese in the United States. However, he felt that such pin-prickings were annoyances which did not affect the general situation; therefore, he hoped that they could be mutually discontinued.

Ambassador Nomura declared that when Secretary Hull had introduced the subject of the Chungking bombings, he had explained that Japan had promised to cease bombing the Chungking suburban areas but only for a certain period. Ambassador Nomura also commented that Secretary Hull's inquiry concerning his presence in Washington during the latter part of the week indicated that he was planning to issue some sort of a statement.<sup>47</sup>

**13. Japan Discounts the Attempted Assassination of Vice Premier Hiranuma**

Japan's eagerness to have Prime Minister Konoye confer with President Roosevelt was evident in a dispatch from Tokyo on August 15, 1941, which denied the erroneous conclusion of some who had interpreted the attempted assassination of Baron Hiranuma, Vice Premier of Tokyo and Minister without Portfolio, as a reaction of Japanese extremists against any cooperation with Britain and the United States.<sup>48</sup>

According to newspaper reports, rumors from diplomatic quarters indicated that an Axis press man had inquired about the Hiranuma shooting some ten hours before it occurred.<sup>49</sup> Emphasizing that his government's attitude was unshaken despite this unfortunate incident, Foreign Minister Toyoda declared that Japanese public opinion would approve any fair revision of national relations regardless of the other party concerned.

Though he was cognizant of Ambassador Nomura's recent messages concerning the obstacles to further Japanese-American negotiations, Foreign Minister Toyoda again urged that the Japanese Ambassador see President Roosevelt in order to expedite the settlement of broad issues and to prevent a general calamity. The American Ambassador in Tokyo would be advised of Japan's proposal at the first opportune moment.<sup>50</sup>

**14. Hull-Nomura Conversation (August 16, 1941)**

(a) *Secretary Hull's Report*<sup>51</sup>

Calling on Secretary Hull in regard to President Roosevelt's proposal of August 8, 1941 Ambassador Nomura expressed once more his country's desire to ensure peaceful relations with the United States, and stated that since Japan would make concessions to avoid war, there was a basis for further progress along this line. The Japanese Ambassador also reiterated his suggestion that high Japanese and American officials meet halfway between the two countries for a conference.

<sup>46</sup> III, 32.

<sup>47</sup> *Ibid.*

<sup>48</sup> III, 33.

<sup>49</sup> New York Times, August 15, 1941, p. 10:2.

<sup>50</sup> III, 33.

<sup>51</sup> "Memorandum by the Secretary of State", August 16, 1941, *S.D.*, II, 553-554.

However, when Ambassador Nomura asked whether his conversations with Secretary Hull would be resumed on their former basis, Mr. Hull repeated the circumstances leading up to the cessation of their conversations, but did not pass further on the question or respond favorably. In pointing out that the establishment of bases in and about French Indo-China by the Japanese army, navy, and air forces indicated Japan's intention to effect a serious invasion of the South Seas areas, which would menace British success in Europe and eventually the safety of the Western Hemisphere, Secretary Hull emphasized the fact that the United States could not remain silent in the face of such a threat. To Ambassador Nomura's assertion that Japan desired merely to secure necessary commodities, Mr. Hull replied that under a peaceful agreement Japan would have obtained access to world markets.

Since Ambassador Nomura repeatedly stressed the desire of Japan for an amicable settlement of differences and its willingness to make concessions in order to have the conversations resumed, Secretary Hull expressed some interest in this, but pointed to Japan's continuing policy of conquest by force and to the bitter attacks on the United States by the Japanese government-controlled press. Secretary Hull also suggested that the Japanese Ambassador talk to President Roosevelt and to any other American officials concerning this subject. However, Ambassador Nomura stated that until he had received specific instructions from his own country concerning the concessions it might be willing to make, he could not take such action.<sup>52</sup>

(b) *Ambassador Nomura's Report*<sup>53</sup>

From the intelligence reports which Ambassador Nomura received concerning the recent conference between the leaders of Great Britain and the United States, it appeared that England desired to draw the United States into war with the purpose of utilizing its resources in the Far East. On the other hand, the United States wished to check Great Britain's ambitions by having it clarify its war aims.

From the joint statement published subsequent to this conference, it was evident, according to the Japanese Ambassador, that the United States had achieved its purpose and that Great Britain had been forced to assume a comparatively disadvantageous position. In view of this report, Ambassador Nomura had considered it essential to confer with Secretary Hull prior to President Roosevelt's return to Washington. Therefore, on the afternoon of August 16, 1941 Ambassador Nomura had met with the American Secretary of State and had discussed the current situation.

After relaying the instructions which the Japanese government had sent him, Ambassador Nomura stressed the necessity for renewing relations between the two countries, since if the present situation remained unchecked, the outcome would be disastrous. Ambassador Nomura pointed out that a Pacific war would be "mass murder to an unprecedented extent in the history of the world." Such a war would not be terminated quickly because of any difference in the financial status of Japan and the United States, but instead would develop into a war of complete exhaustion, lasting several years, and would be advantageous to neither country. Therefore, not only should Japan and the United States guard against the extremists in both governments, but they must also be on the lookout against enticing offers made by third countries to both Japan and the United States. Secretary Hull remarked that it had been rumored that Chancellor Hitler had begun the war knowing Commissar Stalin's attitude well in advance.

At this point Ambassador Nomura strongly refuted the charges that Japan was under military domination by insisting that the characteristics of its imperial family, its government and its people were opposed to militarization. Although Japan advocated a Far Eastern Sphere of Co-prosperity, such a policy was not to be confused with military conquest, since it meant living together by cooperative defense, and, thus, did not differ greatly from the Good Neighbor Policy of the United States.

<sup>52</sup> *Ibid.*

<sup>53</sup> III, 34.

After considering Ambassador Nomura's remark, Secretary Hull stated that the United States recognized the equal status of all countries without the necessity of resorting to the use of arms. Ambassador Nomura replied that external pressure upon Japan had caused it to retaliate, but if this outside pressure were removed, Japan would resort to peaceful measures. Secretary Hull seemed to agree with this statement.

Ambassador Nomura then turned the conversation to the proposed meeting between the leaders of both countries. It was his personal opinion that this meeting should be encouraged rather than discouraged, since many of the measures contained in the Atlantic Charter coincided directly with the statement issued by Prince Konoye, and through both of these documents, an agreement could be reached between the two countries. Indicating that Japan's only reason for suggesting a conference with the United States was to improve the present diplomatic situation, the Japanese Ambassador asked if the United States still deemed such a conference impossible.

Although he had not yet taken up the matter with anyone outside of his own office, Secretary Hull promised to confer with President Roosevelt at the earliest opportunity. According to Ambassador Nomura, this attitude was much different from Secretary Hull's earlier position and was probably the result of his having talked with the Cabinet members who had conferred with the Japanese Ambassador. When Secretary Hull inquired concerning Ambassador Nomura's personal opinion on the general outlook, the Japanese Ambassador replied that it would be extremely dangerous to let Japanese-American relations remain in their present condition.<sup>54</sup>

#### 15. Ambassador Nomura Summarizes the Japanese-American Diplomatic Situation (August 16, 1941)

In summarizing the Japanese-American diplomatic situation on August 16, 1941, Ambassador Nomura warned that anything might happen at any moment. As soon as Japan made another move, particularly if it were directed against Thailand, matters would grow suddenly worse. Though he had reported that America was not united in regard to participation in the European war and that President Roosevelt himself was hesitant, the Japanese Ambassador emphasized that the American people were unanimous in regard to taking a strong hand in the Far East. This would meet with the approval of Great Britain, China and Germany.<sup>55</sup>

Expressing his belief that President Roosevelt would not go to extremes inasmuch as both he and American naval authorities were conscious of the tremendous tasks involved in a Pacific war, Ambassador Nomura stated that the British believed that if a Japanese-American war were started, there would be a good prospect of getting the United States to participate in the European war.

The Japanese Ambassador pointed out that Allied confidence in ultimate victory was gaining, for even if Germany eventually defeated Russia, the war would not have been short and decisive, since it had already reached the stage of attrition. Furthermore, since submarine war in the Atlantic was being won by Britain and the United States, the situation closely resembled that of 1917.<sup>56</sup>

With such a state of affairs in the United States, Ambassador Nomura had been very anxious to have the State Department approve Foreign Minister Toyoda's proposal for a conference of Prime Minister Konoye and President Roosevelt, but Secretary Hull had rejected it. Ambassador Nomura's efforts to interest a Cabinet member who was intimately associated with Secretary Hull failed. President Roosevelt at one time had thought of arranging a similar conference, but Japan's occupation of French Indo-China had led him to believe that Japan did

<sup>54</sup> *Ibid.*

<sup>55</sup> III, 35.

<sup>56</sup> III, 36.

not desire a fundamental readjustment of Japanese-American relations, but was only conducting a policy of appeasement towards the United States.

Ambassador Nomura reported that American authorities were beginning to think that he had been misled by his own country.<sup>57</sup>

Since Japanese newspapers had severely criticized a statement recently issued by the American government, the atmosphere had become worse. Ambassador Nomura advised that unless something were done immediately to eliminate this misunderstanding, he would not be able to accomplish his objective. Furthermore, since President Roosevelt was unfavorable to the proposal, Ambassador Nomura did not expect him to do anything about it.

Indicating three critical points concerning which the United States wished Japan to give some sort of a pledge, namely, the question of self-defense, the withdrawal of troops from China, and non-discrimination in trade, Ambassador Nomura requested that the Japanese Foreign Office consider them and send him any further instructions at once. Thus, he would be prepared for an interview with President Roosevelt who was returning to Washington within a few days.<sup>58</sup>

#### 16. Roosevelt-Nomura Conversation (August 17, 1941)

##### (a) *Secretary Hull's Report*<sup>59</sup>

In an informal conference between President Roosevelt and the Japanese Ambassador, called at Mr. Roosevelt's request, the strained relations between the two countries were discussed. After President Roosevelt had contrasted the policies and principles of the American government with Japan's course of conquest by force, and had asserted that the next move toward peace now depended upon Japan, Ambassador Nomura produced an instruction which he said was from his government. It emphasized Japan's hopes for a mutual understanding, and expressed Prince Konoye's willingness to attend a conference with President Roosevelt at some point halfway between Japan and the United States.

President Roosevelt then commented that since the relations between the two governments should be brought up-to-date, he had prepared an oral statement clarifying the position of the United States. He regretted the necessity for having to do so, but there was no other recourse. President Roosevelt read the oral statement to the Japanese Ambassador and then handed him the document containing it.<sup>60</sup>

In his oral statement President Roosevelt indicated that in protracted conversations during the past months Secretary Hull and Ambassador Nomura had attempted to formulate a mutual understanding, based on the preclusion of force by either country, in order to maintain peace and justice in the Pacific. On July 24, 1941 President Roosevelt had offered to urge the governments of China, Great Britain, and the Netherlands to join the United States in a solemn declaration that they had no aggressive intentions with regard to Indo-China and would make all markets and materials of Indo-China available to all nations on equal terms, provided that Japan withdrew its forces from this area.

In spite of these efforts, the Japanese government had continued its military activities throughout the Far East and had occupied Indo-China. Although the American government was in full sympathy with Japanese desires for amicable and mutually profitable relations with the United States, it was now deemed necessary to warn Japan that a continuation of its program of military domination of neighboring countries by force or threat of force, would com-

<sup>57</sup> III, 37.

<sup>58</sup> III, 38.

<sup>59</sup> "Memorandum by the Secretary of State", August 17, 1941, S.D., II, 554-555.

<sup>60</sup> *Ibid.*

pel the United States to take any and all steps deemed necessary to ensure the legitimate rights and interests, the safety and the security of the United States and its citizens.<sup>61</sup>

After a slight pause, President Roosevelt turned to a discussion of Ambassador Nomura's request for a resumption of the conversations with Secretary Hull. Making further reference to Japan's policy of conquest by force, and to the bitter denunciation of America by the Japanese government-controlled press, President Roosevelt pointed out that under such conditions the reopening of conversations would be fruitless. President Roosevelt then read another document to Ambassador Nomura, which he afterwards handed to him.

In this second statement, President Roosevelt declared in regard to the suggestion of the Japanese Ambassador that responsible officials of Japan and the United States meet to discuss the adjustment of present relations, and with reference to Ambassador Nomura's desire that the previous informal conversations be resumed, that the Secretary of State had already advised Ambassador Nomura that the United States could not see how the conversations could be pursued if Japan continued its present policy of force and supported the bitter press attacks against America.<sup>62</sup>

On two occasions, officers from the Department of State had expressed concern over the impending Japanese offensive in French Indo-China. Subsequently, on July 21 and July 23, 1941, the Acting Secretary of State, Sumner Welles, had informed Ambassador Nomura that the United States believed Japan to be embarking on a program of conquest in the South Pacific area, and since the position of the American government had already been clearly defined, there could be no basis for further conversations.

President Roosevelt pointed out that in order to achieve a peaceful settlement of the entire Pacific situation, a progressive program would have to be evolved from the basic principle of equal commercial opportunity and treatment for all nations. With the cooperation of the countries concerned in this area, all available resources of capital, technical skill, and economic leadership would be utilized not only for building up their own economies, but also for developing regions where productive capacity could be improved which would increase the purchasing power of the nations and peoples concerned, would raise standards of living, and would create conditions conducive to the maintenance of peace. However, any disruption of the peace would find the United States continuing its policy of sending immediate aid to the areas within the Pacific which were resisting aggression.

Since this program would prevent any country from extending its military, political or economic control over other peoples, the United States felt that it assured to Japan satisfaction of its economic needs and legitimate aspirations. If the Japanese government would agree to suspend its expansionist activities and readjust its position along peaceful lines, the American government was prepared to consider resumption of the informal exploratory discussions which had been interrupted in July. However, to clarify the situation for both governments, it would be advantageous if the Japanese government furnished a clearer statement than had yet been presented concerning its present attitude and plans.<sup>63</sup>

(b) *Ambassador Nomura's Report*<sup>64</sup>

Ambassador Nomura reported to Foreign Minister Toyoda on August 18, 1941 that at half-past four in the afternoon of August 18, 1941<sup>65</sup> he had had a secret interview with President Roosevelt in the presence of Secretary Hull.

<sup>61</sup><sup>64</sup>"Oral statement handed by President Roosevelt to the Japanese Ambassador (Nomura)", August 17, 1941, *S.D.*, II, 556-557. See III, 39 for English text sent in a Japanese cipher to Tokyo on August 17, 1941.

<sup>62</sup>"Statement handed by President Roosevelt to the Japanese Ambassador (Nomura)", August 17, 1941, *S.D.*, II, 557-559. See III, 39 for English text sent in a Japanese cipher to Tokyo on August 17, 1941.

<sup>63</sup>*Ibid.*

<sup>64</sup>III, 41-47.

<sup>65</sup>This should be August 17, 1941. See III, 40.

President Roosevelt opened his remarks by saying that he had just spent a few days enjoying life at sea, during which he had sailed on his yacht and afterwards transferred to a warship to keep a rendezvous at a point off the Maine coast. Then he began to discuss the current problems, reading from two papers which stated that the United States would immediately take any steps necessary for the protection of its interests and citizens, if Japan were to make further use of force. Furthermore, before Japan's proposal for a meeting of both country's leaders could be realized, the United States must be advised of the aims of the Japanese government. Upon finishing his remarks, President Roosevelt asked that Ambassador Nomura relay the contents of both messages to Japan with the understanding that the documents were not to be considered as oral statements but only as reference material. Ambassador Nomura then accepted the papers on the condition that they would be used solely for his own information.<sup>66</sup>

In the course of the conversation President Roosevelt stated that Secretary Hull, Ambassador Nomura and himself were striving to bring about peace in the Pacific, but no one else was. When Ambassador Nomura remarked that there were many other nations desiring war in the Pacific, President Roosevelt affirmed this and said that the United States, Britain, and probably Russia hoped for peace in the Pacific, but there were not many other nations which desired it.<sup>67</sup>

After joking about "our German friend" who maintained no warships in the Pacific, President Roosevelt stated that because none of the three men present had come up through the diplomatic ranks, they did not feel bound by diplomatic conventions. Therefore, the notes that he held in his hand were not diplomatic documents nor aide-memoires, but were merely expressions of what he wanted to say. The Japanese Ambassador remarked that though President Roosevelt had stated that he had no desire to commit these items to paper, yet the President seemed to feel that they needed to be expressed in writing.<sup>68</sup>

Informing President Roosevelt that the Japanese government was sincere in its desire to adjust Japanese-American diplomatic relations, Ambassador Nomura stated that the Japanese government would like to be advised concerning the possibility of arranging an interview with Prince Konoye, as well as the possibility of the continuation in the near future of the informal conversations which had been carried on during the past months.

Since the Japanese government had already expressed its opinion regarding the French Indo-Chinese question to the American Secretary of State, it felt that no clarifying explanations were necessary. Yet Prime Minister Konoye was still willing to exchange opinions with a view toward achieving world peace.

Asserting his country's confidence in the statesmanship of President Roosevelt and in his ability to settle things, Ambassador Nomura stated that Japan would reciprocate in the fine type of statesmanship the United States would undoubtedly exercise. After listening closely to Ambassador Nomura's summarization of the existing situation, President Roosevelt turned the conversation to the problem of finding a suitable location for the proposed conference. President Roosevelt stated that "Geographically speaking, it is impossible for me to go to Honolulu. I am not permitted to travel in an airplane."<sup>69</sup> He suggested instead that the Japanese Prime Minister meet with him at Juneau, Alaska, as an alternate to either San Francisco or Seattle, Washington. To President Roosevelt's inquiry as to the number of days it would take Prince Konoye to reach the suggested locations, Ambassador Nomura answered that it would take about ten days and that the climate would be favorable until about the middle of September.

<sup>66</sup> III, 40.

<sup>67</sup> III, 41.

<sup>68</sup> III, 42.

<sup>69</sup> III, 43.

President Roosevelt next pointed out certain revisions that had been made in the documents he held. He had crossed out the word "President" since the original text implied that President Roosevelt himself would attend the conference, and for geographic reasons this might not be possible. Furthermore, he added that while the United States did not welcome the "closed door" policy, which it had been forced to adopt because of Japanese actions, it remained firm in its statement that Japan itself must open the door in the present circumstances. At this point President Roosevelt turned to a discussion of French Indo-China.<sup>70</sup>

Throughout the entire conference Ambassador Nomura was favorably impressed with President Roosevelt's tactful attitude and his high spirits. The Japanese Ambassador believed that President Roosevelt was exceptionally pleased with the responsiveness of the British people to the joint British-American peace terms arrived at in collaboration with Prime Minister Churchill. Unlike the Fourteen Articles issued independently by President Wilson during the last war, this agreement, the Atlantic Charter, had succeeded in drawing up peace terms acceptable to both England and America.

Before drawing the meeting to a close President Roosevelt mentioned Postmaster General Walker as being an ardent supporter of friendly Japanese-American relations. Apparently Mr. Waslker had spoken in behalf of the suggested interview between President Roosevelt and Prince Konoye. As the conversation ended, Secretary Hull asked Ambassador Nomura to call him at any time. Since the Chinese Incident was regarded as a separate problem, it had not been mentioned at all in the day's conversation.<sup>71</sup>

#### 17. Ambassador Nomura Discloses His Personal Opinion Regarding the President's Statements

Since President Roosevelt had asked to see him immediately upon his return to Washington, Ambassador Nomura was certain that the American President viewed Japanese-American relations in a grave light. From the contents of the statement concerning the determination of the United States to protect its interests against any further Japanese aggression and from the manner in which President Roosevelt read it during that meeting, it was evident to the Japanese Ambassador that the note had been prepared in advance of the President's return.<sup>72</sup>

On the other hand, the second statement read by President Roosevelt seemed to contain his own attitude and opinions, and, accordingly, Ambassador Nomura believed that President Roosevelt favored the Japanese proposal under certain conditions. Yet when Ambassador Nomura had suggested that the situation depended largely on President Roosevelt's statesmanship, the President answered that it was Japan's responsibility to open the closed door. Ambassador Nomura was of the opinion, nevertheless, that President Roosevelt had other wishes, for he did not doubt that the American President hoped for a favorable change in Japanese-American relations.

According to recent comments in the newspapers, President Roosevelt was fearful lest the United States be drawn into a Far Eastern war, since he believed that there was an equal chance that Japan would attempt further aggression. Nevertheless, Ambassador Nomura was certain that the proposal for a meeting between the leaders of the two governments had considerably lessened the strain in diplomatic relations. However, it was essential that strict secrecy be maintained regarding this meeting, especially in Japan, for attempts would be begun there to make it impossible, if the news leaked out. Ambassador Nomura assured Tokyo that the matter was under careful study and that a full report would be made of any ideas of value.<sup>73</sup>

<sup>70</sup>III, 44.

<sup>71</sup>III, 45-47.

<sup>72</sup>III, 48.

<sup>73</sup>*Ibid.*

### 18. Mr. Dooman Confers with Mr. Terasaki

On August 18, 1941 at 3:00 P.M. Mr. Terasaki, Director of the American Bureau of the Japanese Ministry for Foreign Affairs, requested Mr. Eugene H. Dooman, Counselor of the American Embassy in Tokyo, to convey a private message to Ambassador Grew.<sup>74</sup> Stressing the importance of the interview to be held that afternoon at 4:00 P.M., between the Japanese Foreign Minister and Ambassador Grew, Mr. Terasaki's note expressed the hope that the meeting would initiate a series of conversations for the adjustment of Japanese-American relations for he believed that if the Cabinet under Prince Konoye failed in this objective, all hope of reconciliation would be lost. He urged that criticism of the actions and policies of either government be avoided, and warned that though the Japanese government was ready to respond to any proposal of the United States to end the Far Eastern conflict, Japan would under no circumstances give in to American pressure.

Requesting Mr. Dooman to inform Ambassador Grew that there was much optimism in all influential quarters with regard to the outcome of the conversations, Mr. Terasaki hoped that the American Ambassador would do everything possible to achieve the desired results. The conversations were to be "off the record", by which Mr. Terasaki meant that there would be no commitment on either side in regard to any question arising during the conversations.<sup>75</sup>

### 19. Grew-Toyoda Conversation (August 18, 1941)

#### (a) *Ambassador Grew's Report*<sup>76</sup>

Ambassador Grew called on Foreign Minister Toyoda at the latter's request at 4:00 P.M. on August 18, 1941. After first receiving assurance from Ambassador Grew that the matters under discussion would be treated with the greatest secrecy,<sup>77</sup> and that no reports would reach Germany or Italy, Admiral Toyoda began a long oral statement requiring two hours and a half for delivery, regarding the critical situation then existing between Japan and the United States. Declaring that Japan had moved troops into French Indo-China solely for the purpose of settling the China affair, Foreign Minister Toyoda insisted that Japan had been acting under its own initiative and that there was no basis for the drastic economic measures which the United States had taken against his country under the mistaken belief that Japan was acting at the instigation of Germany.

Japanese public opinion had become extremely excited but the government was doing all in its power to repress hostile press comment. Foreign Minister Toyoda stated that the Japanese reply to the President's proposal of July 24, 1941 had been carefully drafted to meet the intentions of the American government, and that it contained proposals which would bind both governments. However, since the President's proposal had dealt exclusively with the joint defense of Indo-China, the Japanese reply was also restricted to that subject and would deal with it independently of the Hull-Nomura conversations.

On August 8, 1941 Ambassador Nomura had received from Secretary Hull the American reply to the Japanese proposal, and the Japanese authorities were disturbed to note in it that the United States had attached little importance to Japan's answer to President Roosevelt's proposal. The American proposal had suggested the withdrawal of Japanese forces from French Indo-China as a prerequisite, although Japan had promised to withdraw after the China Incident was settled.

If the United States wanted peace in the Pacific, Japan suggested that America cooperate in settling the China Incident. Both Japanese and American statesmen were sincerely striving

<sup>74</sup>"Memorandum by the Counselor of Embassy in Japan (Dooman)", initialled by Eugene H. Dooman, August 18, 1941, *S.D.*, II, 559-560.

<sup>75</sup>*Ibid.*

<sup>76</sup>"Memorandum by the Ambassador in Japan (Grew)", August 18, 1941, *S.D.*, II, 560-564.

for peace, according to the Japanese Foreign Minister, and to have a breakdown of peace occur now would be evidence of lack of statesmanship on both sides.

Both countries had a duty to save the world from disaster, and for this reason they must consider their mutual problems in a calm and friendly atmosphere on an equal basis.

Because present relations were extremely strained as a result of misunderstandings on both sides and sinister designs by other countries, it would be most opportune if the leaders of both countries could meet at Honolulu to discuss the situation in person.

Foreign Minister Toyoda said that he intended to have Ambassador Nomura see President Roosevelt in person to make this suggestion, and he requested Ambassador Grew to support this plan, which was unprecedented in Japanese history, since it involved the Premier's going abroad and would be done despite the objections of certain Japanese elements.

The Japanese Foreign Minister assured Ambassador Grew that the Prime Minister, Prince Konoye, would make every effort to save the world from ruin and to maintain peace in the Pacific, and he expressed his conviction that President Roosevelt and Prince Konoye would be able to reach an equitable agreement since Japan was not necessarily bound by the reply made on August 6 by Ambassador Nomura to President Roosevelt's proposal of July 24, 1941. Foreign Minister Toyoda also stressed the necessity for avoiding any impression that Japan had entered into negotiations with the United States because of American pressure. He suggested, therefore, that both countries reciprocate in stopping or moderating various measures of economic pressure.

In his report Ambassador Grew reiterated that he realized the great need for secrecy in this matter, and indicated that he appreciated the reasons for Japan's negotiating through Ambassador Nomura in the United States rather than in Tokyo. However, he informed Foreign Minister Toyoda that in view of Japan's progressive southward advance, the United States could be governed only by Japan's actions and not by its words. He also pointed out that previously Japan had ascribed its move into Indo-China as a reaction against encirclement by other powers but now it was ascribing it to the settling of the China affair. The Japanese Foreign Minister made no comment on the remarks of the American Ambassador.

Ambassador Grew restated Mr. Hull's opinion expressed by Mr. Welles on July 23, 1941 that there appeared to be no basis for continuing the conversations which had been carried on in Washington between Secretary Hull and Ambassador Nomura. He also spoke of Mr. Hull's statement to Ambassador Nomura on August 8, 1941 that the answer of Japan to the proposal of President Roosevelt failed in responsiveness. Though withholding official comment until the American government had time to study the proposal just made by the Japanese Foreign Minister, Ambassador Grew promised to give it his personal support.<sup>78</sup>

#### (b) *Foreign Minister Toyoda's Report*

It is believed that no detailed report of the conversation between Foreign Minister Toyoda and Ambassador Grew was forwarded to the Japanese Embassy at Washington. However, on August 21, 1941 the Japanese Foreign Minister briefly referred to this conversation in a message to Ambassador Nomura.<sup>79</sup>

Pointing out that if Japan and the United States were to surmount the crisis confronting them at present, it would be necessary to display real statesmanship, and reminding Ambassador Grew of his nine years of tireless work to maintain Japanese-American friendship, Foreign Minister Toyoda again strongly urged that the proposed conference of the leaders of the two nations take place.<sup>80</sup>

<sup>78</sup> "Memorandum by the Ambassador in Japan (Grew)", August 18, 1941, *S.D.*, II 560-564.

<sup>79</sup> III, 49.

<sup>80</sup> *Ibid.*

<sup>81</sup> "The Ambassador in Japan (Grew) to the Secretary of State", August 18, 1941, *S.D.*, II, 565.

## 20. Ambassador Grew Urges Consideration of Japanese Proposal

In a report to Secretary Hull and Under Secretary of State Sumner Welles, Ambassador Grew urged that the new Japanese proposal be given the utmost consideration, since not only was such a suggestion unprecedented in Japanese history, but it indicated that Japan's intransigence had not completely crystallized. Furthermore, Ambassador Grew believed that a meeting between Prince Konoye and President Roosevelt would be of incalculable value in bringing peace in the Pacific.<sup>81</sup>

## 21. Ambassador Nomura Is Convinced of President Roosevelt's Sincerity

On August 20, 1941 Ambassador Nomura reported to Tokyo that in a recent conversation Postmaster-General Walker had stressed the fact that President Roosevelt had taken up the question of the proposed Japanese-American conferences immediately upon his return to Washington. Furthermore, by his past speeches and most recent statement, it was evident that President Roosevelt had a broad-minded view of the world situation and was in no way anti-Japanese in his feelings, and, therefore, Japan should reciprocate in a like manner.

When Ambassador Nomura responded that it was with strong resolution that the Japanese government had continued its dealings with the current problem, Mr. Walker emphasized that this was also true of President Roosevelt for even if there were no real justification, there was much anti-Japanese sentiment in the United States. If news of the proposed conference were to leak out, Congress would undoubtedly raise strong opposition to it. On the other hand, there was a great possibility of achieving peace in the Pacific, if the conference succeeded. In view of President Roosevelt's present feeling, Mr. Walker asked that a way be found to settle successfully the Japanese-American question.<sup>82</sup>

On the following day, August 21, 1941, Ambassador Nomura advised Tokyo of further indications of President Roosevelt's serious interest in the resumption of Japanese-American negotiations. According to rumors, the text of the note delivered to Ambassador Nomura on August 17, 1941<sup>83</sup> had been composed by President Roosevelt himself, and the President expected that a Japanese reply would be handed directly to him.

With this in mind, Ambassador Nomura was of the opinion that the Japanese reply should be in simple and direct phraseology. Referring to the text of his proposed reply to President Roosevelt's note, Ambassador Nomura decided to omit such expressions as "continuance of encirclement" and "of discrimination of boycott and barriers of personal integrities and attack." At the same time, however, Ambassador Nomura felt it essential that Japan emphasize the necessity of guaranteeing the safety of the Far East.<sup>84</sup>

## 22. Ambassador Nomura Suggests A New Proposal

In a message to Tokyo on August 20, 1941 Ambassador Nomura expressed the opinion that President Roosevelt, desirous of settling Japanese-American problems by a conference between the two government heads, had made this proposal as his last political move at the critical moment when Japanese-American relations were at their worst. Urging that Japan respond to the generous spirit exhibited by President Roosevelt, Ambassador Nomura asked Tokyo to leave decisions concerning concrete points in the proposals until some future date, thereby showing the American government that Japan would allow nothing to conflict with the successful resumption of the informal negotiations. On this basis, therefore, Ambassador Nomura submitted a proposal for approval by the Japanese government and subsequent delivery to the United States.<sup>85</sup>

<sup>82</sup> III, 50-51.

<sup>83</sup> III, 52-53.

<sup>84</sup> III, 54.

<sup>85</sup> III, 55.

By explaining the immutable policy of the Japanese government as seen in important statements issued by Prime Minister Konoye and Ministers Hiranuma, Arita, and Matsuoka, Ambassador Nomura's proposal was designed to correct any misunderstandings arising from his government's proposal. Because his document dealt only with those points included in the proposals of President Roosevelt on August 17, 1941, and did not pretend to be Japan's policy, Ambassador Nomura believed that the United States would give it careful consideration as a means of reopening Japanese-American negotiations.<sup>86</sup>

Emphasizing that this opportunity to readjust the strained diplomatic situation must not be lost, Ambassador Nomura requested that his proposal be given careful consideration. If the proposed meeting between the government heads were to take place in the middle of September 1941, there remained less than two months time for preliminary negotiations. Japan must necessarily select a diplomatic staff and have a ship available before that time. In view of these reasons, Ambassador Nomura urged that the matter be decided upon without delay.<sup>87</sup>

### 23. Rumors of a British-American-Russian Conference Speed Japanese Action

On August 23, 1941 Tokyo informed Ambassador Nomura of newspaper reports concerning a British-American-Russian conference to be held early in September 1941. Since the United States was also reported to be shipping goods to Russia, Tokyo feared a realization of an Allied encirclement. If Japan were to arrange a conference between its leaders and the United States which would convene after the Allied meeting, the world would receive the impression that Japan had submitted to the threat of encirclement. In order to offset this reaction, Japan decided to submit an early reply to the American proposal and to arrange the conference between President Roosevelt and Prince Konoye for an earlier date. The Japanese Foreign Office also requested Ambassador Nomura to inform the United States that the shipment of materials to Russia by way of Japanese coastal waters would produce an unfavorable effect on Japanese-American relations.<sup>88</sup>

### 24. Hull-Nomura Conversation (First-August 23, 1941)

#### (a) *Secretary Hull's Report*<sup>89</sup>

To thank Mr. Hull for arranging his interview with President Roosevelt, Ambassador Nomura called on the American Secretary of State on August 23, 1941. The Japanese Ambassador said his government was carefully considering the American notes, and would respond in a few days. The two representatives once again stated their mutual desire to better Japanese-American relations.

Reiterating that America's basic principles consisted of peace, law, justice and equality in its dealings throughout the world, Secretary Hull declared that Japan was pursuing the opposite course. During the past months, the government-controlled Japanese press had excited distrust of the United States and had acclaimed a program of unlimited expansion in establishing the "new order" in the Pacific, while war factions headed by Mr. Matsuoka had lauded the benefits of the Tripartite Pact. Considering these facts, Secretary Hull felt that American skepticism concerning Japan's sincerity in seeking a peaceful settlement was justified.

Pointing to America's lack of cooperation in its relations with his country, Ambassador Nomura cited as an example the shipment of oil to Vladivostok through Japanese waters. Faced with large Russian forces in that area, Japan could not be expected to ignore the reinforcement of Russian military supply bases across the border line.

<sup>86</sup> See III, 56-62 for text of this proposal which was not adopted by the Foreign Office.

<sup>87</sup> III, 63.

<sup>88</sup> III, 64. See *Japanese-American Relations*, Part C, Section 172, *Japan Recognizes Russo-German War as Threat to Its Border*.

<sup>89</sup> "Memorandum by the Secretary of State", August 23, 1941. S.D., II, 565-567.

## THE "MAGIC" BACKGROUND OF PEARL HARBOR

After mentioning jocularly Japan's non-aggression pact with Russia, which elicited no response but a laugh from Ambassador Nomura, Secretary Hull answered that the United States was concerned only with aiding any resistance to the German armies. Should Japan project itself militarily into the Russo-German situation, or any other situation affecting the United States, the entire situation would be changed.

To Ambassador Nomura's query regarding the future sale of oil to Japan under the freezing system, Secretary Hull replied that his knowledge of the details was incomplete, but he promised to investigate the matter.<sup>90</sup>

### (b) *Ambassador Nomura's Report*

There is no separate message available referring to this conversation with Secretary Hull on August 23, 1941.

## 25. Hull-Nomura Conversation (Second-August 23, 1941)

### (a) *Secretary Hull's Report*<sup>91</sup>

Later in the day, on August 23, 1941, Ambassador Nomura returned to Secretary Hull's apartment to inform him of a message from Japan concerning the proposed meeting between the heads of the two governments. Because of the reported Allied conferences at Moscow which were scheduled for early in September, the Japanese government was desirous of effecting this meeting earlier than the date, October 15, 1941, suggested by President Roosevelt.

Ambassador Nomura laughed very heartily when Secretary Hull remarked that the Japanese-Russian Neutrality Pact would give Japan all the assurances of Russian peaceful intentions that Japan would desire. Regardless of its non-aggression pact with Russia, Japan feared that some agreements entered into at Moscow might be detrimental to Japanese plans and policies. Secretary Hull, however, made no commitments of any kind in regard to this proposal.

### (b) *Ambassador Nomura's Report*<sup>92</sup>

In compliance with his orders, Ambassador Nomura called on Secretary Hull at 5:00 P.M. Saturday afternoon, August 23, 1941, to report that Japan was prepared to make an early reply to the statement of President Roosevelt. The Japanese Ambassador further suggested that the conference between President Roosevelt and Prince Konoye be held at a date earlier than that previously proposed.

Following Tokyo's other instructions, Ambassador Nomura asked that the United States delay its Moscow conference and withhold shipment of material to Russia for the time being. Although Secretary Hull refrained from making any comment regarding Ambassador Nomura's suggestion for an early Japanese-American conference, he answered Ambassador Nomura's remarks about Russia by pointing to the Neutrality Pact in existence between Japan and Russia. Secretary Hull assured Ambassador Nomura, however, that his statement would be relayed to the President. Ambassador Nomura believed that President Roosevelt, who was anxious to receive Japan's reply, was the one most interested in holding a conference with Prince Konoye.<sup>93</sup>

<sup>90</sup>*Ibid.*

<sup>91</sup>"Memorandum by the Secretary of State", August 23, 1941, *S.D.*, II, 568.

<sup>92</sup>III, 65.

<sup>93</sup>*Ibid.*

## 26. Prime Minister Konoye Replies to President Roosevelt (August 26, 1941)

On August 26, 1941 the Japanese government sent Ambassador Nomura a reply to be communicated to President Roosevelt as soon as possible.<sup>94</sup> Expressing his satisfaction at President Roosevelt's approval of the proposed leaders' meeting, Prime Minister Konoye stated that since Japan and the United States held the key to world peace, deterioration of their relations would result in the downfall of world civilization. For this reason, Japan desired to improve the Japanese-American situation since the betterment of present conditions would achieve peace not only in the Pacific but throughout the world.

In Prime Minister Konoye's opinion, Japanese-American relations had reached a critical stage because of a lack of mutual understanding intensified by the machinations of third powers. Consequently, both Japan and the United States continually doubted and misconstrued the other's intentions. In order to eliminate these causes at their very source, Prime Minister Konoye desired to meet with President Roosevelt.<sup>95</sup>

Under the present circumstances in which rapid changes were constantly taking place and in which unforeseen conditions might possibly arise at any moment, Prime Minister Konoye did not believe that the previous informal negotiations were adequate any longer. It was necessary now for the two leaders to meet and discuss the possibility of saving the present situation by studying together the important questions affecting the entire Pacific area. Any minor details could then be settled by those officials specializing in such matters.

Eagerly waiting for the day of the meeting, Prime Minister Konoye urged that President Roosevelt accept the proposal in an understanding spirit. In view of various circumstances, the Japanese Prime Minister believed that the meeting should be held somewhere in the vicinity of Hawaii.<sup>96</sup>

## 27. Japan Replies to President Roosevelt's Statement of August 17, 1941

On August 26, 1941 in a statement sent to Ambassador Nomura, the Japanese government replied to President Roosevelt's note of August 17, 1941.<sup>97</sup> It reviewed the American claim that Japan's actions in French Indo-China had removed the basis upon which the informal conversations concerning Pacific problems had been founded. In accordance with the principles embodied in the peace program which the United States advocated, Japan had been asked to abandon its expansionist activities and change its attitude. Furthermore, in asking that Japan submit a clearer statement of its present plans, the United States had emphatically stated that it would resort to any necessary steps to prevent Japan from dominating its neighboring countries by military power.<sup>98</sup>

In view of its past pledges and repeated explanations of its intentions toward other countries, Japan deeply regretted American mistrust of its actions. Solely on the basis of its own fundamental conception of the Pacific problem, the United States chose to regard certain Japanese measures as harmful to peace in that area. However, in view of the international confusion permeating the entire world, Tokyo felt that it was almost impossible to judge whether a certain incident was the cause or result of the situation.

<sup>94</sup> III, 66.

<sup>95</sup> III, 67. The English translation by Ambassador Nomura was sent to Tokyo on September 3, 1941, see III, 81-83. For the text received by the State Department, see "The Japanese Prime Minister (Prince Konoye) to President Roosevelt", August 27, 1941, S.D., II, 572-573.

<sup>96</sup> III, 68.

<sup>97</sup> III, 69. For English translation by Ambassador Nomura sent to Tokyo on September 3, 1941 see III, 84-88. For text received by the State Department see "Statement by the Japanese government handed by the Japanese Ambassador (Nomura) to President Roosevelt, August 28, 1941, S.D., II, 573-575.

<sup>98</sup> *Ibid.*

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One-sided judgement of the situation by the United States, based upon only certain political facts, would be harmful to lasting peace. Since Japan thought it necessary to cope with anything that threatened its own peaceful progress and its own defense, the United States, before criticizing such defensive measures, must recognize the cause and correct the situation so that peace could be established.<sup>99</sup>

America considered certain Japanese measures as harmful to the principles which it upheld, but on the other hand Japan felt that the United States had placed certain obstacles in the path of Japan's self-sufficiency and defense. Even during the informal conversations taking place between Japan and the United States, the American government had continuously applied a policy of pressure, thereby depriving Japan of many essential natural resources.

In the meantime many American newspaper articles and editorials predicted that the United States, Britain and the Netherlands East Indies would form an anti-Japanese front in the Far East. Although the United States might have acted in conformity with its own national requirements, this proved conclusively that actions considered to be just by one government might be detrimental to another. The United States apparently overlooked the fact that its natural circumstances and monopolistic power could well present a threat to another nation.<sup>100</sup>

President Roosevelt and Secretary Hull followed the course of peace, and, consequently, it was difficult for them to understand that peoples in other countries felt threatened by the United States. Yet nations less favorably situated, especially with regard to natural resources, were forced to consider their relations with the United States from a defensive viewpoint. In order to maintain peace the United States must refrain from criticizing the individual actions of other nations and instead attempt to understand the circumstances causing those actions. However, Japan was pleased that the United States had encouraged an exchange of opinions relating to the basis for an understanding which would result in lasting peace in the Pacific.<sup>101</sup>

In explaining its actions in the Southwest Pacific, Japan reiterated that its occupation of French Indo-China had not been taken with the intention of advancing by force into neighboring areas, but had been an act of self-defense to cope with threats against Japan's right of existence. Since the China Incident had originated from a threat to Japan's national existence, the ending of the war by the establishment of a just peace with China would find Japan willing to withdraw its troops immediately from French Indo-China. In view of this statement, Japan's attitude toward Thailand was self-evident.

Turning to the problem of Japanese-Russian relations, Tokyo gave assurance that it would refrain from military action against Russia as long as that country observed the Russo-Japanese neutrality agreement by refraining from any threats to Japan and Manchukuo. In return, Japan earnestly requested that the United States refrain from any measures which would stimulate Japan's fear of joint American-Russian action against it.<sup>102</sup>

Japan insisted that it whole-heartedly supported the principles laid down previously by the American government as a basis for conducting informal conversations with Japan, and agreed that their purpose was the conclusion of an understanding that would achieve a natural and peaceful settlement of problems in the Pacific area. By establishing such a peace in the Pacific, Japan joined with the United States in hoping that the principles set forth by both countries would be used towards the establishment of a world-wide peace. To maintain the necessary economical, political and military equality throughout this area, those countries which had superior natural resources and geographical locations must assume an attitude of

<sup>99</sup>III, 70.

<sup>100</sup>III, 71.

<sup>101</sup>III, 72.

<sup>102</sup>III, 73.

strict impartiality and must cooperate in the distribution of advantages to lesser nations. The spirit of reciprocity should govern any adjustments made in order to satisfy the essential requirements of all countries in that area.<sup>103</sup>

In summing up its reply to President Roosevelt's statement, the Japanese government expressed the opinion that the principles which it had set forth were both clear and concise. Only by conferring together dispassionately and constructively on all problems relating to the interest of both countries could the United States and Japan hope to found a lasting peace; therefore, an immediate conference between President Roosevelt and Prince Konoye was required. First, however, it would be necessary to eliminate the false impression that such a conference was due to pressure exerted on Japan by the United States.<sup>104</sup>

## 28. Japan's Reply Contains Its Maximum Concessions

In a special message to Ambassador Nomura on August 26, 1941 the Japanese government explained that the reply outlined above contained its maximum concessions. Since both the situation in Japan itself, as well as that throughout the world was strained to the extreme, Tokyo urged Ambassador Nomura to convince the American officials of the necessity for an interview between President Roosevelt and Prince Konoye, on which it was pinning its last hopes. It said that such a conference would not necessarily have to be bound by the statements made in Foreign Minister Toyoda's message.<sup>105</sup>

### (a) *Secretary Hull's Report*<sup>106</sup>

Since Ambassador Nomura had received a reply from his government regarding President Roosevelt's message to the Prime Minister of Japan,<sup>107</sup> Secretary Hull agreed on August 27, 1941 to arrange an interview with President Roosevelt for the next day so that in accordance with his instructions the Japanese Ambassador might present it in person. Meanwhile, both representatives further discussed the relationship between the United States and Japan, with Ambassador Nomura expressing confidence that the new Japanese note offered opportunities for a definite improvement of the situation.

When the Japanese Ambassador mentioned the matter of the two American oil tankers en route to Vladivostok, Secretary Hull immediately forestalled further protests by stating emphatically that the shipments were supported by the Japanese-Russian agreement of Portsmouth, and were as legitimate under all laws of commerce as were the much larger oil exports from this country to Japan. Admitting the strength of Secretary Hull's argument, Ambassador Nomura nevertheless insisted that agitators constantly reminded the Japanese masses that, while they were forced to use coal, American oil shipments were passing Japan en route to Russia. Secretary Hull then declared that this claim was spurious.

As a remedy, Ambassador Nomura suggested that the two Japanese tankers leaving the United States monthly be loaded with oil for his country. In reply, Secretary Hull requested that Ambassador Nomura inquire about the possibility of Japan's using its free money as payment, both in the United States and in South America. The Japanese Ambassador readily agreed to look into this matter.<sup>108</sup>

<sup>103</sup> III, 74.

<sup>104</sup> III, 75.

<sup>105</sup> III, 76. Counselor Dooman of the American Embassy in Japan was warned on August 27, 1941 by a Japanese authority that if there were any premature disclosures of the plans for a meeting of Prince Konoye and President Roosevelt at this time when American tankers were enroute to Vladivostok, attempts might be made on the lives of leading members of the Japanese government, S.D., II, 568-569.

<sup>106</sup> "Memorandum by the Secretary", August 27, 1941, S.D., II, 569-570.

<sup>107</sup> III, 67-75.

<sup>108</sup> "Memorandum by the Secretary", August 27, 1941, S.D., II, 569-570.

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After giving Secretary Hull a copy of the statement which he was later to present to President Roosevelt, Ambassador Nomura expressed optimism in regard to the reaching of a satisfactory agreement between the two countries should the United States agree to concessions now being asked by the Japanese government.<sup>109</sup>

### (b) *Ambassador Nomura's Report*<sup>110</sup>

Ambassador Nomura reported that he had delivered Prince Konoye's message to Secretary Hull on Wednesday, August 27, 1941. After citing several points orally because the English text had not been completed, Ambassador Nomura requested that he be allowed to see President Roosevelt immediately. Secretary Hull replied that it was impossible on that day, but arrangements would be made for the next morning.

As the conversation progressed, Ambassador Nomura commented on Winston Churchill's recent speech which the Japanese Ambassador considered harmful to the international situation. Remarking that he had refrained from making any comments on the speech to inquiring members of the press, the Secretary of State mentioned the extremist views that were being expressed at present by various Japanese publications.<sup>111</sup>

In accordance with the directions of his government Ambassador Nomura also spoke of the unfavorable effect that United States' petroleum shipments to Russia had had upon the Japanese public.<sup>112</sup> Secretary Hull brought out graphs to show the enormous amount of oil that had been furnished to Japan, and compared it with the comparatively small percentage shipped to Russia. Nevertheless, Ambassador Nomura pointed out that the shipment of this oil to Russia by way of Japanese waters had directly followed the embargo of all American exports to Japan and as a result Japanese public opinion had been disturbed.

Since the freezing of Japanese funds throughout the United States would impede the use of export permits even if they were granted by the United States, Secretary Hull suggested that the Japanese government pay for the desired oil from money invested in South America. Believing that there was no other solution but to use this South American money, the Japanese Ambassador requested that Tokyo discuss the matter thoroughly and advise him of any action to be taken.<sup>113</sup>

Two days later on August 29, 1941 Ambassador Nomura again urged that Tokyo immediately purchase the petroleum needed by Japan with funds which were outside of the area affected by the freezing order.<sup>114</sup> According to Ambassador Nomura, Secretary Hull was cognizant of the delicate nature of Japanese-American relations, and was aware that a single disturbing incident could be disastrous. Yet Secretary Hull felt that Japan was making a great problem over the shipment of a few hundred thousand barrels of oil to Russia when, even in the face of popular disapproval, the American government had already exported several million barrels of oil to Japan.

<sup>109</sup> "Memorandum of a conversation", August 27, 1941, S.D., II, 571.

<sup>110</sup> III, 77.

<sup>111</sup> *Ibid.* Prime Minister Winston Churchill warns Japan in a world-wide broadcast from London on August 24, 1941 that its aggression in the Far East "has got to stop. Every effort will be made to secure a peaceful settlement. But . . . if these hopes should fail, we shall, of course, range ourselves unhesitatingly at the side of the United States."—*Facts on File Yearbook*, 1941, Vol. I, 340.

<sup>112</sup> III, 78.

<sup>113</sup> II, 78.

<sup>113</sup> III, 79.

<sup>114</sup> III, 80.

Referring to the freedom of seas, the Secretary of State explained that he had no desire to permit a third country to interfere with Japanese-American trade. However, Ambassador Nomura explained that the shipment of oil, now unavailable to Japan, through Japanese territorial waters to Vladivostok presented a major problem from the standpoint of Japanese national feeling. Apparently Secretary Hull saw the logic of this remark, for a few days later American newspapers mentioned the possible routing of oil through the Persian Gulf.<sup>115</sup>

## 29. Mr. Terasaki Requests Ambassador Grew to Recall American Oil Shipments

Meanwhile, the problems evolving from the United States' shipping oil to Vladivostok were similarly discussed in Japan.<sup>116</sup> After emphasizing the grave internal situation then existing in Japan, on August 27, 1941, Mr. Terasaki, Director of the American Bureau for Japanese Foreign Affairs, delivered to Counselor Dooman an oral statement for Ambassador Grew, which asked that the American tankers now en route to Russia be recalled. If this were impossible, Mr. Terasaki suggested that the ships be rerouted to avoid their passing through the Straits of Saya and Tsugaru, for, in spite of Japan's non-aggression pact with Russia, the Japanese strongly resented the sending of supplies which might possibly be used against them by Russia.<sup>117</sup>

## 30. Roosevelt-Nomura Conference (August 28, 1941)

### (a) *Secretary Hull's Report*

On August 28, 1941 Ambassador Nomura called on President Roosevelt to deliver a personal message from the Prime Minister of Japan,<sup>118</sup> and also to submit a reply from the Japanese government regarding President Roosevelt's communication of August 17, 1941.<sup>119</sup> President Roosevelt read Prince Konoye's message with interest and complimented its tone. In speaking of the proposed conference mentioned in Prince Konoye's message, President Roosevelt suggested that, because of the time element involved, Juneau, Alaska might be a better meeting place than Hawaii. The Japanese Ambassador was interested principally in having the conversation held as early as possible.

Turning next to the reply from the Japanese government, which Ambassador Nomura also submitted at this time, the President noted briefly that it did not provide for the discontinuation of Japanese army and naval reinforcements in the Indo-Chinese area while peace conversations were in progress. In addition, Mr. Roosevelt, criticizing Japan's baseless fear of attack by Russia and its unjustified complaints about oil shipments, reminded Ambassador Nomura that Japan was now in a position to load a number of oilers to transport fuel to its home ports whenever it desired.

After concluding his reading of the Japanese note, President Roosevelt advised Ambassador Nomura that he considered it to be a step forward and, thus, was very hopeful. He mentioned again his interest in spending three or four days with Prince Konoye, possibly at Juneau.<sup>121</sup>

<sup>115</sup> *Ibid.*

<sup>116</sup> "Memorandum by the Counselor of Embassy in Japan (Dooman)", August 27, 1941, *S.D.*, II, 568-569.

<sup>117</sup> *Ibid.*

<sup>118</sup> "Memorandum by the Secretary of State", August 28, 1941, *S.D.*, II, 571-572.

<sup>119</sup> *S.D.*, II, 572-573. For translation by American cryptanalysts of text sent from Tokyo to Washington on August 26, 1941 see III, 67-68. For English text of this document sent to Tokyo by Ambassador Nomura in code on September 3, 1941 see III, 81-83.

<sup>120</sup> *S.D.*, II, 573-575. For translation by American cryptanalysts of text sent from Tokyo to Washington on August 26, 1941 see III, 69-75. For English text sent to Tokyo by Ambassador Nomura on September 3, 1941 see III, 84-88.

<sup>121</sup> "Memorandum by the Secretary of State", August 28, 1941, *S.D.*, II, 571-572.

(b) *Ambassador Nomura's Report*<sup>122</sup>

In accordance with instructions from Tokyo, on August 28, 1941 at 11:00 A.M. Ambassador Nomura met with President Roosevelt and Secretary Hull to present the English text of the Japanese reply to the President's message of August 17, 1941.<sup>123</sup>

While reading the messages President Roosevelt commended their contents in flattering terms, but in discussing the points pertaining to discrimination, President Roosevelt "cynically" inquired whether an invasion of Thailand would take place during his conference with Prince Konoye just as the invasion of French Indo-China had occurred during Secretary Hull's conversations with Ambassador Nomura. Nevertheless, President Roosevelt assured Ambassador Nomura that he was looking forward to approximately three days of conversation with Prince Konoye.

The main problem stemmed from the choice of a meeting place. Because the American President, unlike the Japanese Prime Minister who could appoint an acting minister to handle such matters, could not designate the Vice President to sign bills from Congress during his absence,<sup>124</sup> a three weeks round trip to Hawaii would take too much time, whereas a trip to Juneau would consume only 14 days.

Ambassador Nomura declared that as far as Japan was concerned the question of a meeting place was secondary, but it was desired to have the conference take place at the earliest possible date. Though he did not object to this request, President Roosevelt did not suggest a definite time.

President Roosevelt added that the recent meeting with Prime Minister Churchill had been postponed on account of the Balkan War, and that the meeting was then held after Congress had approved it.<sup>125</sup>

**31. Hull-Nomura Conversation (August 28, 1941)**(a) *State Department's Report*<sup>126</sup>

Calling at Secretary Hull's apartment after his interview with President Roosevelt earlier in the same day, August 28, 1941, Ambassador Nomura stated that he was much encouraged regarding the attempts to improve relations between the two countries. Since Japan was desirous only that the conference be held at an early date, preferably between September 21 and September 25, 1941, to offset Japanese press attacks against the United States, President Roosevelt's suggestion that the conference be held at Juneau, Alaska would probably be approved by Prime Minister Konoye. Ambassador Nomura pointed out that Prince Konoye would probably be accompanied by a staff of twenty representatives from the Foreign Office, the Army, the Navy, and the Japanese Embassy in Washington. This would be very advantageous in that the Japanese Army and Navy representatives would be equally responsible for any settlement reached. An agreement on publicity concerning the conference would have to be reached by the two governments, especially since the Prime Minister would have to leave Tokyo five days before President Roosevelt left Washington.<sup>127</sup>

<sup>122</sup> III, 89.<sup>123</sup> *Ibid.*<sup>124</sup> *Ibid.*<sup>125</sup> III, 90.<sup>126</sup> "Memorandum of a conversation", initialed by Joseph W. Ballantine, August 28, 1941, S.D., II, 576-579.<sup>127</sup> *Ibid.*

After promising to refer these points to President Roosevelt, Secretary Hull mentioned the questions that would inevitably arise at such a conference. In his opinion the actual conference should serve only to ratify matters of importance already agreed to in principle. Reference was made to certain difficulties encountered in the previous informal conversations which had caused delays and had finally resulted in Japan's acting at variance with the spirit of the conversations. In addition, it would be unwise to have a split in the Japanese Diet over the question of peace.

Recognizing the merits of Secretary Hull's remarks, Ambassador Nomura then summed up the three major difficulties encountered in their conversations: Japan's relations with the Axis; the retention of Japanese troops in North China and Inner Mongolia; and the application of the principle of non-discrimination in international commercial relations. Only in regard to the stationing of Japanese forces in North China did the Japanese Ambassador anticipate any trouble. Concerning Japan's relations with the Axis, Ambassador Nomura was confident that as long as America's attitude of self-protection remained reasonable and it did not demand a nullification of the Tripartite Pact by requesting a blanket guarantee from Japan for any action it took against Germany in the name of self-defense, no breach would occur between the two countries.

Secretary Hull commented that Mr. Matsuoka's constant stressing of Japan's alignment with the Axis and the inopportune time chosen for the signing of the Tripartite Pact had already produced an unfavorable effect on America. Unless something were done to counteract the unfavorable impression, it would prove a source of embarrassment to President Roosevelt upon his return from the proposed meeting with Prince Konoye, for as an indication of its current relations with Germany, the United States was already maintaining patrols all the way to Iceland.<sup>128</sup>

At this point, Ambassador Nomura discussed the United States' position in aiding in the settlement of the Chinese situation and commented that Japan preferred to have the United States use its influence to bring Japan and China together to settle their own difficulties rather than have the United States discuss the basic peace terms with Japan. Secretary Hull made it clear, however, that before exercising its good offices between China and Japan, the United States would first consider the basic terms on which Japan proposed to negotiate, since it was necessary to have the friendship and confidence of the Chinese government before and after the negotiations. Both America and Japan, he felt, should consider the potentialities of China as a trading nation.

Ambassador Nomura agreed that the Chinese question was important, but remarked that there were other questions which could be settled at the conference in order to tide over a critical situation. Since the China Incident was one of the major questions calling for settlement, Secretary Hull believed that unless a conciliation were reached in this regard, it would remain the root of future instability. Ambassador Nomura recognized the soundness of this statement, particularly in view of the French Indo-China situation. Mr. Ballantine pointed out that Japan had promised to remove its troops from that area as soon as the China affair was settled.

After recapitulating briefly Secretary Hull's statements to make sure that he understood them, Ambassador Nomura left after commenting that he did not know how far the Japanese government could go in view of internal political difficulties, but Prince Konoye as a man of great courage was willing to assume great risks to improve relations.<sup>129</sup>

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<sup>128</sup> *Ibid.*

<sup>129</sup> *Ibid.*

(b) *Ambassador Nomura's Report*<sup>130</sup>

Ambassador Nomura reported that on the evening of August 28, 1941 he had exchanged opinions with Secretary Hull on the problems of the proposed conference. If either of the conferring leaders assumed an uncompromising attitude on certain points, the result would greatly endanger Japanese-American relations. For that reason, Secretary Hull desired that preliminary conversations be held for the purpose of effecting a general agreement prior to the major meeting.

While it was necessary to bring up-to-date both the Japanese and American policies, Secretary Hull maintained that the Chinese question would not necessarily stand in the way of an amicable understanding. On the other hand, the United States refused to adjust its relations with Japan at the expense of its friendship with China. Furthermore, even if America accepted a basis for a Japanese-Chinese peace, it would be faced with the tremendous problem of winning the approval of both Great Britain and Soviet Russia.

Ambassador Nomura refrained from clarifying further his government's statements regarding the withdrawal of Japanese troops from China and the right of protection, but he was convinced that as long as Prince Konoye retained his position as Japanese Foreign Minister, every effort would be made to settle Far Eastern problems satisfactorily. Secretary Hull expressed the hope that Japan would take definite steps towards this end.

Ambassador Nomura reminded his government of the wide difference in viewpoint between the two governments which he had noticed during discussions on the proposals for an Understanding Pact. He feared that Tokyo's proposals would only add to the existing misunderstanding. In order that Japan might obtain further details regarding America's viewpoint, Ambassador Nomura asked that Colonel Iwakuro be consulted upon his return to Tokyo.

Ambassador Nomura then offered his government certain suggestions, in the event that Tokyo had agreed upon a meeting between the leaders of the two governments. Ambassador Nomura advised that his government consent to Juneau, Alaska as the conference site, if Constitutional requirements and reasons for personal safety made Hawaii unsatisfactory for President Roosevelt.

The conference date would be set about September 21, 1941 with five persons each from the Foreign Office; the Ministries of Navy and War, the Embassy and the Consulate in attendance.<sup>131</sup> Since it was assumed that Prince Konoye would make the trip by warship, about ten days would be required. Ambassador Nomura believed that the best time to make a public statement regarding the meeting would be shortly after the Prime Minister's departure from Tokyo.

Although Secretary Hull had agreed to discuss these points with President Roosevelt, he was extremely cautious in commenting on the proposed conference. Ambassador Nomura pointed out that Secretary Hull was an exceedingly cautious person, and warned that unless the two governments arrived at a fairly close agreement regarding the terms surrounding this meeting, the conference would never materialize.<sup>132</sup>

**32. Secret Interpretation of Japan's Reply to President Roosevelt**

On August 28, 1941 the Japanese government advised Ambassador Nomura concerning the interpretation of its recent reply to President Roosevelt.<sup>133</sup> After stressing certain instructions

<sup>130</sup> III, 91.<sup>131</sup> *Ibid.*<sup>132</sup> III, 92.<sup>133</sup> III, 93.

regarding the style and form to be used in future messages pertaining to the question of Japanese-American relations, the Foreign Office advised Ambassador Nomura that the phrase "should a just peace be established in the Far East" meant that when the Chiang regime had become merely a local regime as a result of the closing of the routes to Chungking, when Japanese-Chinese relations had returned, on the whole, to normality, and when Japan efficiently and justly could secure the materials it needed from French Indo-China, Japan would consider withdrawing its troops from French Indo-China even before the complete settlement of the China Incident. The statement had been made originally because Japan had desired to allow as much flexibility as possible in the coming conversations.

With regard to the phrase "which will be applicable to the whole world, etc.,," Japan wished to ensure that restrictions enforced against Japan within the East Asia area, where it hoped to establish the New Order Sphere of Co-prosperity, would be incumbent upon the United States outside the Pacific area.<sup>134</sup>

The Japanese government also pointed out to Ambassador Nomura that there were logical reasons for Japan's agreeing that all countries enjoying favorable conditions or having advantages over other countries should assume an attitude of strict impartiality in regard to the distribution of necessary materials. Japan felt that it would naturally assume this economic leadership within the East Asia Sphere of Co-prosperity.

Since Japan's proposal had stated that it was natural and essential to make all adjustments in a spirit of equality and reciprocity with adjacent areas, Japan's position toward Manchukuo and China was thereby clarified, for such good neighborliness would ensure the establishment of the East Asia Sphere of Co-prosperity. This policy was not, as the United States alleged it to be, aimed at securing a position superior to other nations in that area, since Japan was following closely the policy set forth in the American Monroe Doctrine. Furthermore, in order to satisfy "the requirements essential to the existence of a country" Japan would naturally take part in a joint defense of China.

Tokyo informed Ambassador Nomura that it had inserted these passages in its reply to President Roosevelt to guard against the possibility of its being too narrowly restricted in any discussions concerning the method by which the East Asia Sphere of Co-prosperity was to be established.<sup>135</sup>

### 33. American Newspaperman Seeks Details of Prince Konoye's Message

In spite of the efforts of both Japanese and American officials to safeguard the secrecy of their conversations, certain publicity leaks occurred. On August 28, 1941, a reporter of the *New York Herald Tribune* called on Mr. Terasaki to inquire about the contents of the message from Prime Minister Konoye to President Roosevelt. Although Mr. Terasaki refused to refer to the contents of that message, it was alleged that in a recent interview with President Roosevelt it had been learned that Prime Minister Konoye wished to hold a conference with the American President in Hawaii.<sup>136</sup>

### 34. The Press Is Informed of Prince Konoye's Message To President Roosevelt

Ambassador Nomura advised Tokyo on August 28, 1941 that since the White House had announced the time for the interview with Ambassador Nomura, Secretary Hull had made public

<sup>134</sup>III, 94.

<sup>135</sup>III, 95.

<sup>136</sup>III, 96.

the fact that a message from Prince Konoye had been delivered to President Roosevelt by Ambassador Nomura.<sup>137</sup> However, it was agreed by both the Japanese and American representatives that no reference would be made to the contents of this message.<sup>138</sup>

The Japanese press was notified on August 29, 1941 that Premier Konoye had sent a message to President Roosevelt but no details were given.<sup>139</sup>

### 35. Tokyo Demands Secrecy Concerning Proposed Conference

Since a disclosure in Japan of any information connected with the proposed conference between President Roosevelt and Prince Konoye would endanger the successful conclusion of such a meeting, on August 29, 1941 Tokyo reiterated its warnings concerning the necessity of secrecy.<sup>140</sup> Ambassador Nomura was informed that on August 28, 1941 the Domei News Service had reported the reference to Prince Konoye's message which he had made in a press conference. Although Tokyo had been able to suppress these dispatches, a fairly large group of people had learned of their contents. In order to prevent similar occurrences in the future, the Japanese Foreign Office requested that Ambassador Nomura refrain from making any mention of Prince Konoye's message until he had first communicated with Tokyo.<sup>141</sup>

Tokyo pointed out that it had intended to keep the matter a strict secret for the time being, but since the news dispatch had been released in Washington, there was danger of further misunderstanding if it attempted to continue suppressing and censoring the news in Japan. Therefore, at 2:30 P.M. on August 29, 1941 certain sections of Prince Konoye's message were announced to the Japanese public.<sup>142</sup> Since the question of time was of the utmost importance, Tokyo requested that Ambassador Nomura explain to American authorities that it had not been able to wait to contact them.

Major reasons for the security measures taken by Japan were in relations with Germany and Italy, and its exceedingly complex domestic situation. Japan felt it quite possible that the United States had deliberately publicized this document in order to estrange Japan from the Axis countries. If information were allowed to leak out before a settlement was reached, there was actual danger that the project would fail. Though Ambassador Nomura's actions might be curtailed somewhat as a result, Japan insisted that he consult with the Foreign Office before making any public statements.

In regard to a suitable location for the "leaders' conference", Japan advised Ambassador Nomura that in case Hawaii were not selected, a place which was part of either nation should not be chosen, for President Roosevelt and Prince Konoye could meet at some spot on the high seas.<sup>143</sup>

In reply, Ambassador Nomura explained to Tokyo the difficulty of seeing President Roosevelt secretly since the American press was furnished with the list of callers at the White House. However, the Japanese Ambassador promised to consult with Secretary Hull to determine measures of avoiding undesirable publicity in the future.<sup>144</sup>

<sup>137</sup> *The New York Times*, August 29, 1941, 1:5 reported that Ambassador Nomura, at Prince Konoye's request, had begun conferences with President Roosevelt and in Secretary Hull's presence had delivered a note from the Japanese Prime Minister.

<sup>138</sup> III, 97.

<sup>139</sup> "The Ambassador in Japan (Grew) to the Secretary of State", S.D., II, 579.

<sup>140</sup> III, 98.

<sup>141</sup> *Ibid.*

<sup>142</sup> III, 99. See Section 39 for Ambassador Grew's report to the State Department which indicates that no details of Prince Konoye's message were released to the Japanese press. See III, 103.

<sup>143</sup> *Ibid.*

<sup>144</sup> III, 100.

### **36. Ambassador Nomura Asks Secretary Hull's Cooperation in Maintaining Secrecy (August 29, 1941)**

In order to secure Secretary Hull's assistance in preventing further disclosures, on August 29, 1941 Ambassador Nomura submitted Tokyo's request that the Secretary of State cooperate in safeguarding the secrecy of future conversations.<sup>145</sup> A few days later Secretary Hull, recognizing that security was essential for the success of negotiations, agreed to cooperate with Japan in this matter.<sup>146</sup>

### **37. Newspaper Article Endangers Japan's Relations with Axis**

Ambassador Nomura advised Tokyo on August 30, 1941 that an article appearing in the August 26, 1941 edition of the *New York Herald Tribune* had greatly disturbed the present situation.<sup>147</sup> Mr. Kasai, a member of the Japanese Parliament, stated that Foreign Minister Matsuoka had made a great blunder in signing the Tripartite Alliance, for although Mr. Matsuoka had believed it would contribute in the end to an improvement of Japanese-American relations, at present it was a stumbling block.<sup>148</sup>

Since such a newspaper article could only serve to aggravate present difficulties and was opposed to Japanese policy, Ambassador Nomura requested that Tokyo prevent other Japanese authorities from coming to the United States until conditions improved considerably.<sup>149</sup>

### **38. Ambassador Grew Confers with Mr. Terasaki (August 29, 1941)<sup>150</sup>**

Since the Japanese press had learned via Washington of Prince Konoye's message to President Roosevelt, Japan requested that Ambassador Grew postpone his scheduled visit with Foreign Minister Toyoda to avoid further publicity. However, in order to convey to Ambassador Grew the text of Prince Konoye's message to President Roosevelt and to discuss the results of the newspaper leaks regarding it, Mr. Terasaki called on Ambassador Grew on August 29, 1941.

Although the newspaper reports had not disclosed the contents of the Japanese message, they nevertheless revealed to the pro-Axis elements in Japan that Prince Konoye had taken the initiative in an obviously conciliatory move. Indignation had been aroused previously by the order freezing Japanese assets in the United States, the shipment of oil to Russia, and America's decision to send a military mission, headed by General Magruder, to Generalissimo Chiang Kai-shek.

In view of this latest development, it was feared that serious obstacles would impair Prime Minister Konoye's attempts to reach an understanding with the United States, and there was a greatly increased possibility of an attempt being made on the life of Prince Konoye. To avoid this, Mr. Terasaki, speaking for the Japanese Foreign Minister, proposed that three steps be taken: first, that the meeting between the two government heads take place without delay to offset the rumors that the United States was applying pressure to Japan; that America postpone the routing of tankers to Russia; and lastly, that during the proposed conference, the American order freezing Japanese assets be suspended. Emphasizing that the Japanese government had given the United States maximum assurances and commitments, particularly in regard to the Chinese situation and the Russian affair, Mr. Terasaki requested that America reciprocate by considering the Japanese proposals not from a legalistic, but rather from a psychological point of view.

<sup>145</sup> "The Japanese Ambassador (Nomura) to the Secretary of State", August 29, 1941, S.D., II, 579.

<sup>146</sup> "Secretary of State (Grew) to the Japanese Ambassador (Nomura)", September 2, 1941, S.D., II, 586.

<sup>147</sup> III, 101.

<sup>148</sup> *Ibid.*

<sup>149</sup> III, 102.

<sup>150</sup> "Memorandum by the Ambassador in Japan (Grew)", August 29, 1941, S.D., II, 579-582.

In reply, Ambassador Grew pointed to the disparity between the very liberal administration of the freezing regulations in the United States and the harsh treatment meted out to Americans and their interests in Japan. Ambassador Grew then expressed to Mr. Terasaki Secretary Hull's views regarding the oil shipments and assured the Japanese official that the United States would consider no request concerning either the shipment of oil or the freezing of assets.

When Ambassador Grew criticized the tenor of American press reports which were being circulated through Japan, Mr. Terasaki replied that certain members of the Cabinet Information Board were pro-Axis in sentiment and the Japanese government was encountering difficulties in handling this question. Mr. Grew gave Mr. Terasaki no encouragement concerning the withdrawing of American tankers from the Russian route or suspending the order freezing Japanese assets.<sup>151</sup>

### **39. Ambassador Grew Indicates Responsibility of Ambassador Nomura for Publicity Leaks (August 30, 1941)<sup>152</sup>**

In answer to Mr. Terasaki's expression of regret over the publicity in Washington concerning the delivery of Prince Konoye's letter to President Roosevelt, Ambassador Grew, on August 30, 1941, presented him with an excerpt from Secretary Hull's press conference held on August 28, 1941.

This revealed that when questioned by a correspondent regarding the nature of President Roosevelt's conversation with Ambassador Nomura, Secretary Hull declared that there had been a general interchange of views related to the affairs of the two countries. As to the nature of Prince Konoye's personal message, the delivery of which Ambassador Nomura had announced as he left the White House, Secretary Hull referred discussion on the matter to the Japanese Ambassador since he had not conferred with him about that point.

To queries regarding the possibility of a written or verbal agreement with Japan, and the theory that the message from the Japanese government had been in the form of a warning, Secretary Hull had merely declined to make any definite statements.

### **40. Japan Requests Simultaneous Release of Conference Publicity (September 1, 1941)**

Aware of the growing dangers resulting from newspaper leaks, Tokyo urged on September 1, 1941 that absolute secrecy surround the Japanese reply to President Roosevelt's proposals. If the United States considered it necessary to publish a summary of this reply, Japan desired that it be notified first, in order that the disclosure might be made to both the Japanese and American peoples at the same time.<sup>153</sup>

### **41. Newspaper Leaks Continue to Concern Japanese Government**

In spite of the efforts of the Japanese government to maintain the strictest secrecy regarding negotiations with the United States, newspaper leaks continued to add to the strain of the diplomatic situation.

Though a reporter had been denied any information when he had called on Mr. Terasaki to confirm the rumor of a proposed meeting between President Roosevelt and Prince Konoye,<sup>154</sup> the *New York Herald Tribune* had printed a story to the effect that Prince Konoye had requested this interview with President Roosevelt. Consequently, on September 2, 1941 a reporter of

<sup>151</sup> *Ibid.*

<sup>152</sup> "Memorandum by the Ambassador in Japan (Grew)", August 30, 1941, S.D., II, 582-583.

<sup>153</sup> III, 103.

<sup>154</sup> III, 104.

the *New York Times* inquired of Mr. Terasaki concerning the truth of this article, but Mr. Terasaki denied that he knew anything about it.<sup>155</sup>

Ambassador Nomura informed Tokyo on September 2, 1941 that he would again call such breaches of security to Secretary Hull's attention.<sup>156</sup>

#### 42. Tokyo Summarizes the Japanese-American Situation for Its Ambassadors in Rome and Berlin

In a message to Berlin on August 30, 1941 Tokyo summarized the reasons for the new development in Japanese-American relations.<sup>157</sup> In accordance with the principles of Foreign Minister Matsuoka's Cabinet, Ambassador Nomura had carried on informal conversations with Secretary Hull in order to effect a solution to several problems. But when the Japanese army had occupied French Indo-China early in July, the United States froze Japanese assets. As a result, Japan and the United States were unable to carry on normal economic activities with one another, and the tenseness already existing between Japan and the United States became increasingly worse.

In order to alleviate the situation, Prime Minister Konoye had dispatched a message to President Roosevelt which was subsequently announced publicly by both countries. In view of its relations with the Axis countries, Japan had advised the German and Italian Ambassadors in Tokyo of this development and, therefore, the Foreign Office asked that the Japanese Ambassadors in Berlin and in Rome take note of this situation.<sup>158</sup>

#### 43. Ambassador Colonna Calls on Ambassador Nomura (August 30, 1941)

The Italian Ambassador resident in Washington, Don Ascanio dei principi Colonna, called on Ambassador Nomura on August 30, 1941 to discuss certain developments in Japanese-American relations.<sup>159</sup> Ambassador Nomura merely told him that the German and Italian Ambassadors in Tokyo had been informed of President Konoye's message to President Roosevelt.<sup>160</sup> Relations between Japan and the United States were becoming extremely critical, and Ambassador Nomura quoted influential members of Congress as saying that there appeared to be an even chance for war. For that reason, the Japanese Prime Minister had issued a message to President Roosevelt in the hope of lessening the tension.

Since the Italian Ambassador was not content with these replies, Ambassador Nomura expressed the hope, with which Ambassador Colonna agreed, that the European War would soon end. Ambassador Nomura stated that Japan hoped the United States would not enter the war, but it would remain faithful to the Tripartite Pact regardless of America's stand in the European conflict. If war were to break out in the Pacific, it would be a long and drawn-out affair.<sup>161</sup> When reminded by Ambassador Nomura that America had remained extremely friendly toward Italy because of the several million citizens of Italian ancestry now living in the United States, the Italian Ambassador agreed with this view.

After concluding the report of his conference with the Italian Ambassador, Ambassador Nomura assured Tokyo that in accordance with instructions he had maintained strict secrecy. However, the Japanese Ambassador could not prevent the representatives of other countries from drawing their own conclusions as the result of Japan's actions. Though there was no way as yet of telling what the American reaction to the Japanese message would be, Ambassador Nomura had noticed signs of a lessening of the tension between the two governments.<sup>162</sup>

<sup>155</sup> III, 104.

<sup>156</sup> III, *Ibid.*

<sup>157</sup> III, 105.

<sup>158</sup> *Ibid.*

<sup>159</sup> III, 106.

<sup>160</sup> III, 105.

<sup>161</sup> III, 106.

<sup>162</sup> III, 107

#### 44. Hull-Nomura Conversation (September 1, 1941)

##### (a) *State Department's Report*<sup>163</sup>

On September 1, 1941 Ambassador Nomura, accompanied by Mr. Shigeyoshi Obata, a Japanese educated in America, called on Secretary Hull to urge that an early reply be given Prince Konoye's message. After assuring the Japanese Ambassador that he would speak to President Roosevelt upon his return to Washington on the following day, Secretary Hull discussed briefly certain points that would naturally arise should a meeting between the heads of the two nations take place. In response to an inquiry from Secretary Hull, Ambassador Nomura said that he had reported to Tokyo concerning the remarks of Mr. Hull on August 28, 1941.

From Secretary Hull's reports regarding the Chinese situation, it would appear that China was far from a settlement with Japan. Though Ambassador Nomura replied that the discontinuance of American assistance would change China's attitude, Secretary Hull declared that if the good will of China was lost, this method would not result in a stabilized reconciliation.

Though stating that some obstacles to a solution of the fundamental differences might be met, Mr. Obata indicated that some agreement could undoubtedly be reached with regard to the retention of Japanese troops in North China and Inner Mongolia, the proposed Japanese economic cooperation with China, based on international non-discrimination, and the effect of Japan's obligations under the Tripartite Pact upon American self-defense. But Secretary Hull again insisted on the necessity for having an agreement in principle on fundamental questions before the meeting.

When Mr. Obata spoke of the need for simultaneous publication of any reports on such a meeting, Ambassador Nomura pointed out that although the Japanese government had criticized him for mentioning Prime Minister Konoye's personal message to President Roosevelt to the press, the newspapers in Tokyo had responded to the information favorably.

Secretary Hull noted that the attitude of the Japanese press had, to date, only succeeded in widening the breach between the two countries by its support of Japan's co-prosperity sphere in the Far East. Japanese attacks against the United States made it difficult to deal not only with American public opinion, but would repel China, Great Britain and the Dutch East Indies. Furthermore, since any agreement reached in a conference had to receive the backing of Japanese public opinion, Secretary Hull pointed to the present difficulties of the Japanese government in restraining its press from attacking the United States. In view of this, Secretary Hull suggested that Tokyo begin to exercise its influence with the press to emphasize the benefits of a peaceful program in the Pacific. Japan would have nothing to lose in this respect, even though no agreement were reached, since it would have to its credit an effort to achieve peace. Ambassador Nomura promised to submit this suggestion to his government.<sup>164</sup>

##### (b) *Ambassador Nomura's Report*

Ambassador Nomura reported on September 1, 1941 that immediately upon receiving instructions he had called on Secretary Hull to discuss the matter of maintaining secrecy in regard to all Japanese-American negotiations and to agree upon a simultaneous announcement of any information that was to be made public.<sup>165</sup> The Japanese Ambassador believed that apparently this problem was being handled by President Roosevelt himself.

President Roosevelt would have dinner with the Secretary of State upon his return to Washington from Hyde Park on September 4, 1941, and since both men were interested in the idea

<sup>163</sup>"Memorandum of a conversation", initialed by Joseph W. Ballantine, September 1, 1941, *S.D.*, II, 583-585.

<sup>164</sup>*Ibid.*

<sup>165</sup>III, 108.

of a "leaders' conference", Ambassador Nomura believed that a reply to the Japanese proposals would be forthcoming shortly. Nevertheless, because of Secretary Hull's nature and position in the government, he was extremely cautious, for not only he, but many other Americans apparently were of the opinion that, regardless of Prince Konoye's intentions, the militaristic faction in the Japanese government and Japanese public opinion would not approve the adoption of a peaceful policy in the Pacific.<sup>166</sup> In order to offset such an impression, Ambassador Nomura explained that, as Prime Minister of Japan and a man of great political influence, Prince Konoye was determined to hold the conference.

According to Ambassador Nomura, Ambassador Grew in Tokyo was keeping Secretary Hull well informed on the opinions expressed in Japanese newspapers. Secretary Hull believed that the Japanese government should direct public opinion and influence outstanding political leaders and military men in such a way that they would approve the adoption of a peaceful program. Ambassador Nomura informed Tokyo that this idea would facilitate matters as far as negotiations with the United States were concerned, but pointed out that if such action were taken, it would lead to the suspicion that the United States was trying to interfere with Japan's internal politics.<sup>167</sup>

Secretary Hull then declared that China did not seem too anxious to make peace because it feared that sooner or later a militaristic Cabinet would be established in Japan. Ambassador Nomura replied that "China was America's spoiled child", asking for everything it wanted regardless of others.

To bring about friendly relations between Japan and China without offending China would be difficult said Secretary Hull, who stated that it was necessary to win the approval of Great Britain and other major countries concerned. In regard to the questions of self-defense and of non-discrimination, however, Secretary Hull felt that a satisfactory settlement could be reached.<sup>168</sup>

By way of explaining his government's intentions toward China, Ambassador Nomura assured Secretary Hull that Japan aimed to maintain peace in the Far East. This was evident from the commitments which it had repeatedly made. The stationing of Japanese and Manchkuoan troops in North China was not based on a permanent right of military occupation, and as soon as circumstances permitted, these forces would be withdrawn.<sup>169</sup>

Although Ambassador Nomura discussed with the Secretary of State the proposed "leaders' conference", no decision was made regarding the actual location. However, Ambassador Nomura advised Tokyo that since the climate was favorable even in the autumn, a meeting-place midway between Japan and the United States should be selected.<sup>170</sup>

Summarizing the present international situation, Ambassador Nomura declared that during this third year of the European War, the anti-Axis Powers had recovered from their former desperate defensive position and had built up their strength to equal the Axis Powers.<sup>171</sup> The United States was expanding its own defense and planning to supply the Allies with more materials. Furthermore, in spite of Germany's fighting power, the tremendous waste of manpower and materials on the Eastern Front would undoubtedly cause the war to carry over into next year.<sup>172</sup>

<sup>166</sup> *Ibid.*

<sup>167</sup> III, 109.

<sup>168</sup> III, 110.

<sup>169</sup> III, 111.

<sup>170</sup> III, 112.

<sup>171</sup> *Ibid.*

<sup>172</sup> III, 113.

#### 45. Roosevelt-Nomura Conversation (September 3, 1941)

##### (a) *Secretary Hull's Report*<sup>173</sup>

At President Roosevelt's request, Ambassador Nomura called at the White House on the afternoon of September 3, 1941 to receive an oral statement prepared in reply to the Japanese government's communication. Reading the document aloud, President Roosevelt stressed that since he realized the difficulties of the Japanese internal situation, he had hoped that, in turn, Prince Konoye would appreciate the difficult conditions existing in the United States.

The oral statement referred to the meeting between the respective heads of Japan and the United States, proposed by the Japanese Ambassador in an endeavor to save the situation in the Pacific. Assuring the Japanese Prime Minister that the American government was anxious to consummate the arrangements for such a meeting, President Roosevelt, nevertheless, suggested that preliminary discussions be held concerning problems to be settled at the meeting.

In order to further clarify the stand that the United States would take in the matters under discussion, President Roosevelt reviewed the events leading up to the present conditions.<sup>174</sup> At the outset of the informal and exploratory conversations entered into by Secretary Hull and Ambassador Nomura on April 16, 1941, the American government had set forth four principles as the fundamental basis for its future policy in dealing with all nations: Respect for the territorial integrity and sovereignty of nations; support of the principle of non-interference in the internal affairs of other countries; equality in every field, including commercial opportunities; and maintenance of the "status quo" in the Pacific, except where it could be altered by peaceful means.

Not only did the United States believe that peace and stability in the Pacific could be reached only through adherence to these policies, but it was firmly convinced that Japan would profit more by adopting a similar course. The United States noted with satisfaction the statement from Ambassador Nomura to President Roosevelt, on August 28, 1941, which gave specific assurances of Japanese cooperation in the establishment of a peaceful program in the Pacific. America understood by this that any policy involving political expansion or acquisition of economic rights by force was excluded.

During the course of the informal conversations between Ambassador Nomura and Secretary Hull, another proposal, marked "Oral, Unofficial and Without Commitment", had been submitted by the American government as a redraft of the Japanese proposal of May 12, 1941. Certain divergencies of views had been noted in subsequent oral discussions which would have to be clarified at this time in order to facilitate a satisfactory settlement of the Pacific question.

President Roosevelt recognized that no government could reach a decision on policy without taking into account its own internal situation and the strength of public opinion. Japan would realize that the United States could not enter into an agreement that would not be in harmony with the principles of its people. President Roosevelt's statement was concluded with a request for a reply from the Japanese government on the matters set forth above.<sup>175</sup>

After finishing his oral statement, President Roosevelt discussed his recent conversations with Prime Minister Churchill during which both men had agreed that in dealing with certain post war governmental problems, a policy of settlement by plebiscites would be most effective.<sup>176</sup>

<sup>173</sup>"Memorandum by the Secretary of State (Hull)", September 3, 1941, *S.D.*, II, 588-592.

<sup>174</sup>"Oral statement handed by President Roosevelt to the Japanese Ambassador (Nomura)", September 3, 1941, *S.D.*, II, 589-591. For Japanese version of this text sent by Ambassador Nomura to Tokyo, see III, 114.

<sup>175</sup>*Ibid.*

<sup>176</sup>*S.D.*, II, 588.

President Roosevelt then read his letter to Prince Konoye. In replying to the Prime Minister's message of August 27, 1941, President Roosevelt expressed his satisfaction over Japanese solicitude for maintaining peace in the Pacific and improving relations with America. Cognizant of the rapidly developing character of world events, President Roosevelt desired to exchange views with the Japanese Prime Minister as soon as possible.<sup>177</sup>

In the statement accompanying Prince Konoye's letter, President Roosevelt had noted that the Japanese government believed the principles of the United States to be the prime requisites for a world peace. In view of the apparently favorable attitude of Japan, President Roosevelt wished to collaborate with it in the practical application of these principles.

Nevertheless, it was evident that certain opposing factions in Japan were strong enough to create obstacles to this proposed collaboration. Under such circumstances, President Roosevelt deemed it advisable that preliminary discussions concerning the basis for achieving and maintaining peace begin immediately, and requested Prince Konoye's assent to this proposal.<sup>178</sup>

When Ambassador Nomura asked his personal opinion regarding the proposed conference, President Roosevelt asserted that the idea was extremely favorable to him. Yet, he insisted that the success of such a conference would rest largely on the settlement of differences prior to the meeting. Once the United States was sufficiently assured that the Japanese principles were favorable to a peaceful settlement in the Pacific, the matter would, of necessity, have to be discussed with the British, Chinese and Dutch, because of their interests in the South Seas. Since difficulties had already been encountered with Tokyo because of its advancement by force into French Indo-China, both President Roosevelt and Secretary Hull emphasized the peaceful stand which Japan must adopt in order to gain the confidence of the nations concerned in the Pacific.

In spite of the opposition in Japan to Prince Konoye's proposal, Ambassador Nomura believed that a meeting between the two government leaders would enable the Japanese to overcome internal friction. Moreover, the questions relating to the complete evacuation of Japanese troops from China, non-discrimination along economic lines, and the interpretation of the Tripartite Pact could be removed as obstacles to Japanese-American friendship if the proposed conference took place.

As the discussion drew to a close, President Roosevelt reiterated his desire that the Japanese government clarify its position and its principles, and that it direct public opinion toward the support of a peaceful course.<sup>179</sup>

#### (b) *Ambassador Nomura's Report*

Ambassador Nomura reported that at President Roosevelt's request, he had come to the White House secretly at 5:00 P.M. on the afternoon of September 3, 1941.<sup>180</sup> At that time President Roosevelt read a personal message to be sent to Prime Minister Konoye and also the reply of the United States to the message of the Japanese government, dated August 28, 1941.<sup>181</sup>

After reading these messages, President Roosevelt stated that although Prince Konoye, Ambassador Nomura, Secretary Hull and himself were making every effort to maintain peace

<sup>177</sup> "President Roosevelt's reply to the Japanese Prime Minister (Prince Konoye), handed to the Japanese Ambassador (Nomura)", September 3, 1941, *S.D.*, II, 591-592. For Japanese version of this text sent by Ambassador Nomura to Tokyo, see III, 115.

<sup>178</sup> *Ibid.*

<sup>179</sup> *S.D.*, II, 588-589.

<sup>180</sup> III, 116-117.

<sup>181</sup> III, 117.

in the Pacific, public opinion in both Japan and the United States was an obstacle to friendly diplomatic relations. When President Roosevelt disclosed that he was very sympathetic toward Prince Konoye's position, Ambassador Nomura insisted that regardless of opposition, the Japanese Prime Minister was still determined to proceed with his plans, for of the three points mentioned in the American reply to the Japanese proposal, two points had been agreed upon in principle, and Prince Konoye expected to reach an agreement on the third at the conference.<sup>182</sup>

Pointing out that the British, Netherlands East Indies and Chinese governments would have to be consulted, Secretary Hull inquired concerning certain preliminary arrangements. President Roosevelt assured Ambassador Nomura that during his visit with Prime Minister Churchill he had made no reference to his conferences with Japanese officials. Since according to British custom, the Prime Minister must necessarily submit all matters to the Cabinet and finally to the Parliament, President Roosevelt had recognized that such disclosure would have made it difficult to maintain the secrecy desired by Japan.<sup>183</sup> Ambassador Nomura referred to a message he had received from his government which stated that after the existence of the Prime Minister's message to President Roosevelt had been made known to the public inadvertently, the militaristic faction had vehemently protested against the proposed conference since it feared its effects on the Tripartite Pact.<sup>184</sup>

According to Tokyo, the publication of the story in the *Herald Tribune* relating the rumor of a proposed conference between Prince Konoye and President Roosevelt had added to the internal confusion,<sup>185</sup> and though the Japanese government did not feel that such actions would destroy the results of a conference between the leaders of both governments, it desired that the matter be kept secret until all arrangements were completed.

Furthermore, the meeting should take place around the middle of September or at an earlier date, with a simple statement to that effect released without delay. The Japanese government advised Ambassador Nomura that if it did not receive an immediate reply concerning these proposals, it planned to issue a public statement describing its position in this matter to safeguard its domestic interests.<sup>186</sup>

However, a day later on September 4, 1941, Tokyo, fearful of causing a misunderstanding which would prevent the conference, requested that Ambassador Nomura rescind this clause.<sup>187</sup>

In regard to the date for the proposed meeting, President Roosevelt stated that the latter part of September would be inconvenient for him but that any other time would be suitable. Though Secretary Hull appeared to be gravely concerned over the general editorial trend of the Japanese press, President Roosevelt agreed to Japan's desire for the simultaneous publishing of any statements concerning these conferences. Ambassador Nomura determined to ascertain Secretary Hull's true attitude during a conversation scheduled for September 4, 1941.<sup>188</sup>

#### 46. Mr. Terasaki Delivers a Message from Foreign Minister Toyoda to Ambassador Grew (September 3, 1941)

Meanwhile, in Tokyo, discussions covering the same general points and emphasizing once more the need for secrecy were taking place between American and Japanese officials. Calling

<sup>182</sup> III, 118.

<sup>183</sup> *Ibid.*

<sup>184</sup> III, 119.

<sup>185</sup> *Ibid.* *The New York Times*, September 3, 1941, 1:6 printed a story of the proposed conference which had to be discounted by the State Department.

<sup>186</sup> III, 119.

<sup>187</sup> III, 120.

<sup>188</sup> III, 118.

by appointment on Ambassador Grew on September 3, 1941, Mr. Terasaki delivered a message from Foreign Minister Toyoda.<sup>189</sup> According to the Japanese Foreign Minister, the Japanese press had obtained information from American newspapers concerning the proposed meeting between the heads of the two governments in spite of all the efforts of Tokyo to prevent such a disclosure.

At this point, Ambassador Grew interposed that the published story had probably resulted from the clever deduction and news sense of the correspondents rather than from any official statement made by the American government. Insisting that the *New York Herald Tribune* was known to have been in possession of the actual facts, Mr. Terasaki stated that, irrespective of its source, the publicity attending the proposed meeting had increased the suspicion of certain factions in Tokyo that Japan was yielding to American pressure. To halt any mobilization of these pro-Axis elements, it was Mr. Terasaki's opinion that definite results would have to be accomplished by Prince Konoye's proposal.

With this end in mind, Foreign Minister Toyoda deemed it extremely important that an official announcement be released concerning the date and place of meeting between the two government heads. Furthermore, the Japanese government suggested that the conference take place about September 20, 1941 and that the anchorage determined upon be disclosed as "somewhere in the Pacific".

The Director of the American Bureau emphasized Foreign Minister Toyoda's concern over Ambassador Nomura's lack of discretion in speaking to the American press of Prince Konoye's letter to President Roosevelt. Mr. Terasaki assured Ambassador Grew that his government had no intention of delivering an ultimatum to America. Nevertheless, he made it clear that if the projected conference between Prince Konoye and President Roosevelt failed to materialize, Tokyo would be forced to inform the Japanese public, first, of the reasons motivating Prince Konoye's message to President Roosevelt, and second, of the spirit behind the proposed meeting.<sup>190</sup>

On the following day, September 4, 1941, Mr. Terasaki informed Ambassador Grew that both Prince Konoye and Foreign Minister Toyoda wished to retract that portion of the Foreign Minister's message which stated that, should the projected meeting between the two government leaders not be realized, Tokyo would be forced to publish the circumstances surrounding it. The Japanese government feared that such a statement might cause a misunderstanding detrimental to the proposed conference.<sup>191</sup>

#### 47. Ambassador Nomura Advises Tokyo to Reply Briefly to the United States

To clarify the general trend of the informal conferences, Ambassador Nomura sent a message to Tokyo, on September 3, 1941, expressing the opinion that the United States desired mainly to ascertain Japan's definite attitude on questions relating to the rights of self-defense, equal trade opportunities and the terms for peace between Japan and China.<sup>192</sup>

Since he had repeatedly demonstrated his interest in these points during the unofficial conversations, Secretary Hull felt that he must be definitely advised of Japan's attitude in order to insure the success of the "leaders' meeting". According to Ambassador Nomura, the United States did not wish to receive a lengthy statement, which failed to express a definite proposal by the Japanese government.

Ambassador Nomura asked that Tokyo keep these factors in mind in drafting a reply to the American messages. Since Ambassador Nomura was scheduled to converse with Secretary Hull on September 4, 1941, he promised to send a more complete report at that time.<sup>193</sup>

<sup>189</sup> "Memorandum by the Ambassador in Japan (Grew)", September 3, 1941, S.D., II, 586-687.

<sup>190</sup> *Ibid.*

<sup>191</sup> "Memorandum by the Ambassador in Japan (Grew)", September 4, 1941, S.D., II, 592.

<sup>192</sup> III, 121.

<sup>193</sup> *Ibid.*

#### 48. Grew-Toyoda Conversation (September 4, 1941)

##### (a) Ambassador Grew's Report<sup>194</sup>

On the afternoon of September 4, 1941 Ambassador Grew called upon Admiral Toyoda and was assured that both Prince Konoye and the Japanese Foreign Minister would make every effort to bring about an early meeting between the Prime Minister and President Roosevelt, since Japan wished to ensure the ultimate success of its peace aims. If this conference were to fail, further efforts to establish friendly relations between the two countries would be useless. In order to achieve these objectives, Japan was prepared to take a definite stand on the matters under discussion, and to make certain provisional commitments. In return, it expected reciprocal commitments from the United States, which would be discussed at the proposed conference.

Stating that he had cabled the proposals to Ambassador Nomura in Washington, Foreign Minister Toyoda then handed Mr. Grew a written copy of the Japanese proposals<sup>195</sup> and requested him to cable them to Washington in his most secret code to obviate any possibility of inaccuracy through misunderstanding of the English language.

In its proposals the Japanese government expressed its willingness to concur in those matters which had already been tentatively agreed upon in the course of the informal conversations. Unless motivated by a justifiable reason, Japan promised that it would not make any military advancement from French Indo-China and the adjoining regions nor would it resort to military action against the territories lying to the north of Japan.

In the case of the United States' entrance into the European War, Japan was to decide independently upon an interpretation and execution of the Tripartite Pact. For the present, the attitude of both Japan and the United States toward the European war was to be determined by the necessary concepts of protection and self-defense.<sup>196</sup>

In regard to its relations with China, the Japanese government would endeavor to bring about general rehabilitation and re-establishment of normal activities. As soon as satisfactory agreements were concluded between Japan and China, the Japanese government was going to withdraw its armed forces.

In regard to the economic activities of the United States, Japan guaranteed that as long as it was pursued on an equitable basis, American trade would not be curtailed in China. Furthermore, Japan would cooperate in the production and procurement of necessary natural resources by the United States in the southwestern Pacific area where the principle of non-discrimination would govern Japan's international commerce. In connection with the resumption of normal trade relations between Japan and the United States, the Japanese government was willing, on the basis of reciprocity, to withdraw its control regulations from American commerce.<sup>197</sup>

In return for these concessions, Japan desired the United States to make similar guarantees. In view of Japan's proposed actions regarding China, the United States was to abstain from any measures which would be prejudicial to Japan's attempts to settle the China affair.

<sup>194</sup> "Memorandum by the Ambassador to Japan (Grew)", September 4, 1941, *S.D.*, II, 593-595, 608-609.

<sup>195</sup> See *S.D.*, II, 608 for text sent to Secretary Hull by Ambassador Grew on September 4, 1941.

<sup>196</sup> See III, 122 for same text sent in Japanese code to Ambassador Nomura on September 4, 1941 and delivered by him to Secretary Hull on September 6, 1941.

<sup>197</sup> *S.D.*, II, 608-609. For Japanese message referring to this specific commitment see III, 123.

Japan's commitments with regard to trade in the southwest Pacific were naturally to be reciprocated by the United States. Furthermore, any military measures in either the Far East or southwest Pacific areas were to be similarly suspended by the United States, and since Japan wished to resume normal trade relations with the United States, it was desired that America cooperate by discontinuing the freezing of Japanese assets and by removing the prohibition against the passage of Japanese vessels through the Panama Canal.<sup>198</sup>

After stating that Tokyo was prepared to accept the tentative agreement which had been reached in the informal and preliminary conversations carried on at Washington, Foreign Minister Toyoda further declared that points (c), (d) and (e) in the newly submitted Japanese proposals would furnish the basis for an agreement on the chief points that had not been disposed of during previous meetings. Particular emphasis was laid on that section of the proposals which indicated an interpretation of the Tripartite Pact at variance with that of Mr. Matsuoka.

After examining the proposals handed to him, Ambassador Grew remarked that various points were susceptible to broad interpretation. In reply, Foreign Minister Toyoda suggested that they be discussed at the proposed meeting, and that reciprocal commitments and proposals between the two countries be embodied finally into a secret agreement formulated during that meeting. After the conference between President Roosevelt and Prince Konoye had taken place, a general statement could be released to the press. To this suggestion, Ambassador Grew replied that the democratic system of the United States government made it impossible to conceal such meetings from the American public.

At the conclusion of the discussion, Admiral Toyoda revealed that he had not yet received Ambassador Nomura's report on his interview with President Roosevelt on the preceding day. Ambassador Grew also said that he had received no information concerning the conversation which had taken place.<sup>199</sup>

In the comment which Ambassador Grew appended to his report on his conversation with the Japanese Foreign Minister on September 4, 1941, he declared that it appeared to be impossible to work out a detailed agreement concerning each of the points in the Japanese provisional proposals during the short time allotted for the conference between Prime Minister Konoye and President Roosevelt.<sup>200</sup> In regard to any publicity following the meeting of the two government heads, Ambassador Grew believed it wise merely to announce that the government of Japan had subscribed to the principles of international relations enunciated by Secretary Hull, and that in accordance with these principles the reconstruction of problems affecting the Pacific area was under way.

In referring to the efforts of both governments in the establishment of a world peace, the statement should conclude by commenting that it was a source of gratification that both Japan and the United States had advanced toward their goal of peace without the sacrifice of legitimate expansion and aims.

Claiming that there was an obvious difference between Admiral Toyoda's proposals of September 4, 1941 and those transmitted on August 29, 1941, Ambassador Grew believed that the Japanese government was sincerely anxious to achieve a peaceful settlement with the United States.<sup>201</sup>

<sup>198</sup> S.D., II, 608-609. See III, 124.

<sup>199</sup> S.D., II, 593-594.

<sup>200</sup> "Comment by the Ambassador in Japan (Grew)", September 4, 1941, S.D., II, 594-595.

<sup>201</sup> *Ibid.*

(b) *Foreign Minister Toyoda's Report*<sup>202</sup>

In a message to Ambassador Nomura on September 4, 1941 Foreign Minister Toyoda both summarized the conditions existing between Japan and the United States and interpreted the proposals which he had communicated to Ambassador Grew in an interview held on that day.

The Japanese government realized that the United States desired to hold preliminary conferences prior to the major meeting between the leaders of both countries in order to arrive at some agreement on the questions of self-defense, Japanese occupation of China, and equal treatment in trade. But with the disclosure of Prince Konoye's message to President Roosevelt, an internal situation had arisen in Japan which made it extremely urgent to hold the conference without further delay. If representatives of both governments continued to argue these questions merely from a legalistic viewpoint, it would be impossible to be ready for a meeting in the latter part of September.

The Japanese government had already expressed its views on the American proposals issued on July 24 and August 17, 1941, respectively, and could say nothing more on the subject. However, Japan would express its viewpoint in proposals which it was submitting both to Ambassador Grew and Ambassador Nomura for presentation to Secretary Hull. It was felt that the leaders of both countries could hold a conference for the discussion of the points already agreed upon in preliminary discussions, and could then issue a joint statement at the conclusion of their interview. This would create a more wholesome atmosphere between Japan and the United States. The Japanese government promised to send Ambassador Nomura a suggested text of this joint agreement as soon as it could be made ready.<sup>203</sup>

The Japanese Foreign Minister had conversed with Ambassador Grew in the afternoon of September 4, 1941 and had submitted the Japanese proposals concerning which certain points required a special explanation. The two conferees would decide whether the conclusions reached during the conference would be in the form of a secret or ordinary agreement. Japan was confident that its concessions, particularly those made with regard to the interpretation of the Tripartite Pact, would meet the approval of the United States.

Referring to the withdrawal of both governments' freezing orders, Japan warned Ambassador Nomura against admitting that the United States' freezing measure had proved damaging to Japan, and directed him to explain that the United States' action in this regard had given the Japanese people the impression that their country was being punished for the occupation of French Indo-China. Therefore, if the order were rescinded by any technical, complicated and halfway measure, it would not be understood by the people at large.

In spite of possible strong opposition within America, the Japanese government believed that the United States should reciprocate the concessions made by Tokyo by withdrawing the freezing order as soon as an agreement was reached by the conferees.

When Japan requested that the United States cease military measures in the Far East, it had in mind the dispatching of submarines and airplanes to the Philippines and the recent acquiring of American military bases in the southwestern Pacific, China and Far Eastern Russia.<sup>204</sup>

<sup>202</sup> III, 125.

<sup>203</sup> *Ibid.*

<sup>204</sup> III, 126.

#### 49. Hull-Nomura Conversation (September 4, 1941)

##### (a) *State Department's Report*<sup>205</sup>

Accompanied by Mr. Obata, Ambassador Nomura called at Secretary Hull's apartment on September 4, 1941 to express his pleasure over President Roosevelt's reply to Prince Konoye's message. In reply to the request in President Roosevelt's oral statement for a definition of the Japanese government's attitude regarding the three fundamental divergencies of view that had remained unreconciled when the conversations ended in July, Ambassador Nomura stated that those points had been disposed of, in spirit at least, in the Japanese statement of August 28, 1941. In the opinion of the Japanese Ambassador there no longer existed any basic differences between Japan and the United States concerning the principles of peace.

In emphasizing the necessity of consulting with the Chinese, British, and Dutch before entering into final negotiations, Secretary Hull declared that the support of these nations must be enlisted in order to maintain a broad program of peace in the Pacific area. In order to allay any apprehension, particularly on the part of the Chinese, the American and Japanese governments would have to reach a clear understanding beforehand regarding points that would affect China.

Referring to Japanese obligations under the Tripartite Pact, Ambassador Nomura declared that since this alliance was purely defensive there was no question of Japan's attacking the United States should America enter the war. Nevertheless, Secretary Hull insisted that if the United States made an agreement with Japan without first obtaining explicit assurance concerning the interpretation of the Tripartite Pact, difficulties would arise with the Senate Committee on Foreign Relations.

In answering Ambassador Nomura's queries regarding discussions prior to the conference between President Roosevelt and Prince Konoye, Secretary Hull raised the question of broadening the proposed trade commitments. In the light of the exigent economic problems which would arise after a peace settlement had been reached, Secretary Hull believed that the existing trade proposals were contrary to Japan's own interest.

After this remark Ambassador Nomura stated that he was awaiting his government's instructions concerning a statement of its present attitude toward the three fundamental points at issue. Ambassador Nomura then handed Secretary Hull a new draft of the Japanese proposals, which he said was a redraft of the American proposals of June 21, 1941. The document was marked "Unofficial, Exploratory, and Without Commitment".<sup>206</sup>

As the meeting drew to a close, Ambassador Nomura referred to the release of a public announcement concerning the meeting of Japanese and American governmental heads. Secretary Hull did not object to an announcement that formal exploratory conversations were in progress, but stated that any publicity regarding the negotiations should be deferred until preliminary discussions had been completed and the other governments concerned in the matter had been approached.<sup>207</sup>

##### (b) *Ambassador Nomura's Report*<sup>208</sup>

In order to determine Secretary Hull's views on the preliminary talk which Mr. Hull had with President Roosevelt, Ambassador Nomura called on the Secretary of State on the morning of September 4, 1941.

<sup>205</sup> "Memorandum of a conversation", September 4, 1941, S.D., II, 595-596.

<sup>206</sup> This document was submitted without the approval of the Japanese government and was subsequently withdrawn by the Japanese Ambassador. For complete text see S.D., II, 597-600.

<sup>207</sup> S.D., II, 595-596.

<sup>208</sup> III, 127-129.

Secretary Hull again brought up the four basic principles which had been discussed in the previous meeting: guaranteeing the territorial integrity of all countries; non-intervention in domestic issues; equal commercial opportunity for all nations; and the maintenance of the status quo in the Pacific. Ambassador Nomura pointed out that the Japanese government's reply to the American note had made it clear that Japan was in full agreement with these principles.<sup>209</sup> However, Japan wished to settle the problems upon which no agreement had been reached in the past informal negotiations. Secretary Hull replied that it was necessary to dispose of the aforementioned four basic principles. Since the United States had no intention of giving the impression that by negotiating with Japan it intended to trade off China, Great Britain and other interested powers, it would be necessary to get the approval of these third powers.<sup>210</sup>

In discussing the American proposal, Ambassador Nomura was of the opinion that the reference to the attitude of Soviet Russia and Great Britain toward the European war should be omitted, but Secretary Hull objected to this suggestion. Moreover, he desired that Japan completely withdraw its troops from North China instead of stationing them there for the alleged purpose of opposing Communism.

From his conversation with Secretary Hull, Ambassador Nomura received the impression that the American attitude toward Japan was stiffening.<sup>211</sup>

#### **50. Ambassador Grew Confers with Foreign Minister Toyoda (September 5, 1941)<sup>212</sup>**

Although Prince Konoye had invited Ambassador Grew to confer secretly with him at a private home on the evening of September 5, 1941, circumstances forced the postponement of the meeting until the following day. In Ambassador Grew's opinion the Japanese Prime Minister had desired to discuss President Roosevelt's reply to his message, as well as President Roosevelt's oral statement, but had deemed it advisable that Foreign Minister Toyoda discuss the matter first. Consequently, Ambassador Grew called on the Japanese Foreign Minister late in the afternoon of September 5, 1941 and Foreign Minister Toyoda questioned him regarding both those matters.

Since a complete report had not reached Ambassador Grew from the American Department of State, Foreign Minister Toyoda showed Ambassador Grew an English text of both the President's message to Prince Konoye and the oral statement. Furthermore, he requested Ambassador Grew's impression concerning the fundamental differences of view which had not been brought into conformity before the conversations in Washington had been interrupted. However, since Ambassador Grew felt that his own telegram reporting his conversation on the preceding day with the Foreign Minister had not yet been received in Washington and, therefore, the United States government was unaware of Foreign Minister Toyoda's belief that the Japanese proposal, dated August 28, 1941 contained the solution to these differences, he could not discuss the problems further with the Japanese Foreign Minister until he had been informed of his government's reaction to the proposal. At Foreign Minister Toyoda's request, Ambassador Grew promised to convey to Secretary Hull his desire for an early report on the American government's reaction to Foreign Minister Toyoda's proposal.<sup>213</sup>

In commenting on the interview scheduled to be held with Foreign Minister Toyoda on the next day, September 6, 1941, Ambassador Grew in his notes of September 5, 1941 stated that

<sup>209</sup> III, 127.

<sup>210</sup> III, 128.

<sup>211</sup> III, 129.

<sup>212</sup> "Memorandum by the Ambassador in Japan (Grew)", September 5, 1941 S.D., II, 600-603.

<sup>213</sup> *Ibid.*

he would avoid discussing any of the questions at issue pending a report from the State Department at Washington.

Foreign Minister Toyoda had expressed the opinion that any necessary conversations called prior to the meeting of Prince Konoye and President Roosevelt should be held at Tokyo in view of the language difficulties that had apparently arisen in Washington. However, Ambassador Grew made it clear that he could make no such recommendation since decisions of this sort were made by the American government.

Having examined carefully the reports of the oral discussions concerning the American redraft of the original Japanese proposals, it seemed apparent to Ambassador Grew that there existed four substantial points upon which no agreement had been reached: (1) the questions of equal opportunity and nondiscrimination in China, (2) the maintenance of Japanese garrisons in China, (3) the respective attitudes of the United States and Japan toward the war in Europe and (4) the question of military bases. At present it was necessary to determine to what degree the new Japanese proposals answered these four points, and to discover whether they afforded an adequate basis for the proposed meeting between President Roosevelt and Prime Minister Konoye.

According to Ambassador Grew, no oral or written Japanese promises could completely guarantee the carrying out of their proposals. In order to return to the "status quo ante" in the Far East, and to reestablish satisfactory relations between the countries concerned in the Pacific, Japan would undoubtedly have to cease its progressive acts of aggression. Nevertheless, Ambassador Grew believed that, if implemented, the new Japanese proposals might provide the basis for the establishment of peace.

With this end in view, Ambassador Grew also felt it desirable that American military and economic measures against Japan be relaxed as Japan moved towards implementation of its commitments. Thus, Japan would be provided with inducements to honor its proposals, and the United States would have a lever of compulsion. Ambassador Grew believed that the risk involved in this procedure appeared to be less serious than the risk of armed conflict entailed in the progressive application of economic pressure.<sup>214</sup>

##### 51. Japan Requests Ambassador Nomura to Expedite the Conference Arrangements

On September 5, 1941 Tokyo informed Ambassador Nomura that since it had not yet received the messages from Ambassador Nomura which had been delivered to him by President Roosevelt on September 3, 1941, the Japanese government was unaware of the American attitude toward the suggested meeting of the respective leaders. Nevertheless, in order to facilitate the conclusion of an understanding, the Foreign Minister had given Ambassador Grew a document containing further concessions by Japan toward the adjustment of diplomatic relations. The contents of this document were in essence the Japanese reply to the request of the United States for a preliminary understanding. In order to eliminate the possibility of any misunderstanding the proposals had been worded simply.

Since these latest proposals were the maximum concessions which Japan could make in meeting American demands, Ambassador Nomura was requested to impress the American government with the importance of the proposals as preliminary expressions of Japanese intentions to achieve a complete settlement of all questions through politics and diplomacy. Though Japan was ready to give a clear and concise reply to any questions raised by the United States, it felt that further discussions would serve only to delay the conference between Japanese and American leaders. For this reason, both Ambassador Grew and Ambassador Nomura were requested to exercise their influence in discouraging such questions.<sup>215</sup>

<sup>214</sup>"Comment by the Ambassador in Japan (Grew)", September 5, 1941, S.D., II, 601-603.

<sup>215</sup>III, 130.

## 52. Ambassador Grew Confers with Officials in Tokyo (September 6, 1941)

### (a) *Conversation with Foreign Minister Toyoda*

During a conversation with Foreign Minister Toyoda on the morning of September 6, 1941 Ambassador Grew, carrying out instructions received in a State Department telegram, informed the Japanese Foreign Minister that the American government could not suspend the sailing of American tankers to Vladivostok, nor could it withdraw the freezing order pending the proposed meeting of the representative heads of Japan and the United States.<sup>216</sup>

Later on the same day, while conferring with the Director of the American Bureau of the Japanese Foreign Office, Ambassador Grew heard Mr. Terasaki's opinions on the influence of the Axis in Japan. In spite of the publicity leaks which had occurred in regard to Prince Konoye's proposal to President Roosevelt, and the reports circulating at present about the projected meeting between the two government heads, Japan was attempting to keep its negotiations with the United States secret. Nevertheless, through subordinate officials in the Foreign Office and the Vice Minister for Foreign Affairs, Germany and Italy were endeavoring to secure information concerning the progress of Japanese-American relations.

Though Foreign Minister Toyoda, unlike Mr. Matsuoka, permitted Mr. Terasaki to exercise a certain control over the instructions sent to the Japanese Ambassador in Berlin, there were still large numbers of influential Germans in strategic governmental organizations and positions in Tokyo. On the basis of confidential reports, Mr. Terasaki had also learned that Japanese pro-Axis elements were plotting a coup on September 27, 1941, the anniversary of Japan's adherence to the Axis.

Confronting those opposed to a Japanese-American understanding with a *fait accompli* would be an efficacious way of forestalling their plans, said Mr. Terasaki. Moreover, the news that concrete agreements had been reached between the two countries would be welcomed by the Japanese public.<sup>217</sup>

### (b) *Conversation with Prince Konoye*

In the evening of September 6, 1941 Ambassador Grew dined at a private home with Prince Konoye, Mr. Ushiba, the Prime Minister's private secretary, and Mr. Eugene Dooman, Councilor at the American Embassy.<sup>218</sup> In a three hours' conversation concerning the fundamental principles advanced by both Japan and the United States, the views of the Japanese government were discussed.

Prince Konoye agreed whole-heartedly that the four principles enumerated by Secretary Hull were a sound basis for the rehabilitation of relations between the United States and Japan. Assuming culpability for the present discord existent between the two countries, the Japanese Prime Minister recognized that it was his responsibility to bring about peace in the Pacific. Since failure now would prevent future Prime Ministers from effecting a peaceful collaboration between Japan and the United States, Prince Konoye was determined to conclude his endeavors successfully in spite of opposing factions.

As a result of the latest Japanese commitments, Prime Minister Konoye hoped that a common basis had been established for a meeting between President Roosevelt and himself. While cognizant that many points needed clarification and more precise formulation, Prince Konoye remained confident that since his proposals were backed by Japanese naval and military leaders, any divergencies in view could be easily reconciled.

From the reports of Ambassador Nomura in Washington, the Japanese Prime Minister had concluded that the American government doubted the strength of the present Japanese Cabi-

<sup>216</sup> "Memorandum by the Ambassador in Japan (Grew)", September 6, 1941, S.D., II, 603-604.

<sup>217</sup> *Ibid.*

<sup>218</sup> "Memorandum by the Ambassador in Japan (Grew)", September 6, 1941, S.D., II, 604-606.

net to resist the anti-American factions. Admitting that certain elements within the armed forces did not approve of his policies, Prince Konoye nevertheless was certain that he was fully supported by the responsible chiefs of both the Japanese army and navy. When the proposed conference between the two government heads took place, a full Admiral, possibly Admiral Yoshida, a full General and the Vice-Chiefs of Staff were expected to accompany the Japanese Prime Minister.

At the same time, however, Prince Konoye believed that resentment in Japan over the economic pressure exerted by other countries was mounting, and that unless a settlement between the United States and Japan was effected within the year, the Japanese extremists would be in a position to profit by the situation. When Ambassador Grew had pointed to the failure of the Japanese government to carry out promises made by former Japanese Ministers, Prince Konoye answered that his government wished to bring about a thorough reconstruction of American-Japanese relations. Furthermore, any commitments made by Japan at this time would be strictly observed.

If President Roosevelt desired to communicate secretly with Prince Konoye, the Japanese Prime Minister promised to arrange subsequent confidential meetings with Ambassador Grew. In view of the present internal situation in Japan, however, Prince Konoye hoped that the projected meeting with President Roosevelt would be arranged with the least possible delay since he felt that all problems could be solved to their mutual satisfaction. He was determined to achieve the proposed reconstruction of relations with the United States regardless of cost or personal risk.<sup>219</sup>

### 53. Hull-Nomura Conversation (September 6, 1941)

#### (a) *State Department's Report*<sup>220</sup>

Calling at his own request, Ambassador Nomura with Mr. Obata visited Secretary Hull in his apartment on September 6, 1941. After handing Secretary Hull a document containing Japanese proposals for the adjustment of diplomatic relations, the Japanese Ambassador declared that the statement had been prepared before September 3, 1941, the date of President Roosevelt's reply to Prince Konoye's message.<sup>221</sup> Nevertheless, Tokyo believed that the contents of this communication contained not only the spirit of its previous statement transmitted to President Roosevelt on August 28, 1941, but also a reply to President Roosevelt's message of September 3, 1941.

On the evening of August 28, 1941 Secretary Hull had spoken of the desirability of reaching an agreement on certain fundamental questions before the meeting of the two government heads took place. Ambassador Nomura had referred these views to the Japanese government and they had now been acted upon. In the light of existing circumstances, Ambassador Nomura believed that Japan was now making its maximum concessions. Secretary Hull then assured Ambassador Nomura that he was anxious to proceed as quickly as possible. To Ambassador Nomura's suggestion that the announcement of preliminary discussions be hastened, Secretary Hull replied that he saw no objection to having it known that informal and exploratory conversations were underway.<sup>222</sup>

<sup>219</sup> *Ibid.*

<sup>220</sup> "Memorandum of a conversation", initialed by Joseph W. Ballantine, September 6, 1941, *S.D.*, II, 606-607.

<sup>221</sup> For the text of the Japanese government's proposals handed to Ambassador Grew on September 4, 1941, see III, 122-124. For the text handed to Secretary Hull on September 6, 1941, see "Draft proposal handed by the Japanese Ambassador (Nomura) to the Secretary of State", September 6, 1941, *S.D.*, II, 608-609.

<sup>222</sup> "Memorandum of a conversation", initialed by Joseph W. Ballantine, September 6, 1941, *S.D.*, II, 606-607.

(b) *Ambassador Nomura's Report*<sup>223</sup>

In accordance with the instructions he had received from Tokyo, Ambassador Nomura secretly called on Secretary Hull the morning of September 6, 1941 and handed him a document containing Japanese proposals for the adjustment of American relations. Ambassador Nomura explained that this document was a copy of that handed to Ambassador Grew by Foreign Minister Toyoda.

Although the document had been prepared before the Japanese government received on September 3, 1941 President Roosevelt's reply to the message from Prince Konoye, dated August 28, 1941, it was composed with the purpose of clarifying certain points to remove obstacles to the proposed conference. It expressed the attitude of the Japanese government toward President Roosevelt's personal message and his oral statement.<sup>224</sup>

Moreover, the opinions which the Japanese government had set forth in its August 6, 1941 communication, as well as other messages and papers from Prime Minister Konoye, and the latest Japanese concessions were thought by Japan to meet the desires of the United States. By going to the maximum limits in its concessions to the United States, Japan hoped that it would influence the United States to display a high degree of statesmanship by agreeing without further delay to a conference between the leaders of both governments.<sup>225</sup>

Secretary Hull replied that his hasty perusal of Ambassador Grew's report would prevent him from discussing its contents at this time, but he promised to study it carefully during the coming weekend.<sup>226</sup> It was apparent from Secretary Hull's remarks that he doubted the stability of the Japanese Cabinet.<sup>227</sup> Moreover, since an increasing number of people in the United States were favoring the adjustment of Japanese-American relations, Mr. Hull believed that the Japanese government could influence Japanese public opinion in this same direction.

Ambassador Nomura emphasized the necessity of maintaining peace in the Pacific, but though Secretary Hull agreed, he maintained a very cautious attitude.<sup>228</sup> In order not to give a mistaken impression to other countries, Secretary Hull desired that information released on the negotiations should reveal merely that both Japan and the United States were studying the basis upon which the Pacific question could be solved.<sup>229</sup>

In view of this, Ambassador Nomura believed that there was no reason to rescind the Japanese statement in regard to the necessity of explaining Tokyo's position to the Japanese people.<sup>230</sup>

**54. Japanese Embassy Is Warned Concerning Newspaper Leaks (September 6, 1941)**

Newspaper leaks continued to be a main source of concern to the Japanese authorities. Mr. Morishima was particularly disturbed over a recent interview with Mr. Kasai which had appeared in the *New York Daily News*. Although Mr. Kasai apparently had given the interview in accordance with a directive from Japan, Mr. Morishima believed that his reference to the

<sup>223</sup> III, 131-134.

<sup>224</sup> III, 131.

<sup>225</sup> III, 132.

<sup>226</sup> III, 133.

<sup>227</sup> Rumors of a Cabinet crisis in Japan had already appeared in *The New York Times*, August 28, 1941, 3:1 and August 29, 1941, 1:8. Finally an emergency session of the Cabinet was called to hear Prince Konoye explain the developments of the talks and his message to President Roosevelt.

<sup>228</sup> III, 133.

<sup>229</sup> III, 134.

<sup>230</sup> III, 120, 134.

current Japanese-American negotiations not only served to aggravate the existing situation and raise another obstacle to the achievement of amicable diplomatic relations, but was particularly inappropriate because of the existence of the Tripartite Pact.<sup>231</sup>

Mr. Morishima reminded the Japanese Ambassador of a previous article by Mr. Kasai which had appeared in the *New York Herald Tribune*,<sup>232</sup> and requested him to caution Mr. Kasai against further statements.<sup>233</sup>

##### 55. Japanese Intelligence Discloses America's Desire for Peace in the Pacific

On September 6, 1941 a report from Mr. Morishima of the Japanese office in New York revealed information obtained by a private Japanese spy to the effect that both President Roosevelt and Prime Minister Churchill had agreed that it would be necessary to settle the Japanese question harmoniously, for if an advantageous understanding were reached, the American Pacific Fleet could then be transferred to Atlantic waters.<sup>234</sup> In keeping with this idea, according to the source, the United States had instructed Ambassador Grew in Tokyo to rally the pro-Allied elements in Japan and to foster a tendency toward compromise with the United States among the anti Axis groups.

On the other hand, Great Britain and the United States had been instructing their officials to strengthen their attitude toward Japan in an endeavor to force Japan to its knees. Washington believed that if it became more demanding as Japan became more conciliatory, an understanding could be reached even on the Siberian question. Apparently American authorities accepted the attitude of Prince Konoye and the recently mollified attitude of the Japanese government toward the sailing of American tankers to Russia as an indication of the success of this policy.<sup>235</sup>

Nevertheless, American officials continued to fear that Japan's internal situation might ultimately prevent the United States from arriving at a peace with Japan. In order not to jeopardize the political prestige of Prince Konoye's Cabinet, President Roosevelt was guarding against taking too stringent steps or making immodest demands.

In regard to the sailing of American tankers to Russia, the United States was even considering its guaranteeing that the materials sent there would not be left in Siberia or that in the future they would be shipped via the southern tip of Kamchatka or the detour around Persia.<sup>236</sup>

##### 56. Minister Wakasugi Prepares Return Trip to United States

Since August 31, 1941 when Minister Wakasugi had arrived in Tokyo for the Cabinet change,<sup>237</sup> the Japanese government had been receiving firsthand information on the Japanese-American informal conversations in Washington. However, on September 6, 1941 Tokyo informed Washington that Minister Wakasugi was returning to the United States<sup>238</sup> and, therefore, the Japanese Embassy was asked to contact American authorities in order to obtain reservations aboard the next China Clipper.

<sup>231</sup> III, 135

<sup>232</sup> III, 101.

<sup>233</sup> III, 135.

<sup>234</sup> III, 136.

<sup>235</sup> III, 137.

<sup>236</sup> III, 138.

<sup>237</sup> *New York Times*, August 31, 1941, 1:4, 8.

<sup>238</sup> According to the translation of these dispatches Minister Wakasugi was apparently returning to Japan. However, collateral information obtained from later decoded Japanese messages proved that Minister Wakasugi, in Tokyo since August 31, 1941, was now returning to Washington.

If it were impossible to secure this reservation, Minister Wakasugi would sail aboard the *Terukawa Maru* of the Kawasaki line on September 12, 1941. If a last minute reservation were obtained on the plane the Japanese government still intended to use the stateroom aboard the *Terukawa Maru*.<sup>239</sup> On the same day Tokyo asked Canton for any information on ships leaving for Hongkong on or about September 15, 1941.<sup>240</sup>

Since the *Terukawa Maru* would be one or two days late in leaving, Tokyo asked Washington to reply about the request for Clipper reservations before noon of September 12, 1941, Japanese time.<sup>241</sup> But in spite of the fact that Ambassador Nomura himself had promptly requested the State Department's assistance in making reservations, there were no vacant seats aboard the Clipper for several weeks to come.<sup>242</sup>

Although these preparations were unavoidably delayed, the return of Minister Wakasugi to the United States was considered to be a sign of Japanese hope for Pacific peace.<sup>243</sup>

## 57. Grew-Terasaki Conversation (September 8, 1941)

### (a) Ambassador Grew's Report<sup>244</sup>

Because the recent incident involving the American destroyer *Greer* and a German submarine had become of major concern to the Japanese government, Mr. Terasaki called upon Ambassador Grew to deliver a message from Foreign Minister Toyoda who feared that this incident might involve Japan in an interpretation of the Tripartite Pact, since Germany was asserting that the American ship had committed an unprovoked act of aggression. The Japanese Foreign Minister indicated that this was a further proof of the necessity of expediting the suggested meeting between the leaders of the two nations.

Ambassador Grew declared that he had already sent the Foreign Minister the official statements made by President Roosevelt and the Navy Department regarding the *Greer* incident. Mr. Terasaki then submitted Foreign Minister Toyoda's request that officials of the United States government guard the secrecy of their conversations with the Japanese, since unwarranted publicity at this critical moment would make it difficult to control the dissident groups in Japan.<sup>245</sup>

### (b) Japanese Foreign Office Report<sup>246</sup>

Although the incident under discussion concerned an attack by a German submarine upon the destroyer, the *U.S.S. Greer*, en route to Iceland with mail, Japanese diplomats recognized that their alliance with Germany might jeopardize Japanese-American negotiations. When President Roosevelt announced his intention to broadcast America's official attitude toward the *Greer* incident on September 11, 1941, Japanese officials feared that his speech might connect the Japanese government with the incident. In order to guard against the extremely undesirable results which would ensue, Mr. Terasaki, in charge of American affairs in the Foreign Office at Japan, discussed the problem with Ambassador Grew.

To re-emphasize the importance of the situation, Tokyo requested on September 8, 1941 that Ambassador Nomura have an informal conversation along the same lines with Secretary

<sup>239</sup> III, 139.

<sup>240</sup> III, 140.

<sup>241</sup> III, 141.

<sup>242</sup> III, 142.

<sup>243</sup> New York Times, September 15, 1941, 7:2, 4.

<sup>244</sup> "Memorandum by the Ambassador in Japan (Grew)", September 8, 1941, S.D., II, 609.

<sup>245</sup> *Ibid.*

<sup>246</sup> III, 143.

Hull. Expressing its gratitude to Ambassador Nomura for his conscientious endeavors to adjust the problems of the Japanese-American situation, Tokyo hoped, since his efforts were nearing realization, that he would continue to employ the full extent of his capabilities in this matter.<sup>247</sup>

### 58. American Public Opinion Is Hostile to Japan

Although Ambassador Nomura did not discuss the *Greer* incident with Secretary Hull until September 10, 1941, on September 8, 1941 he sent Tokyo a report on the attitude of the American public toward Japan and the possible effects which the incident in the Atlantic might have upon it. For more detailed information, the Japanese Ambassador asked that Tokyo question Mr. Iwakuro Wakasugi, recently returned to Tokyo from Washington.

From a recent study of the Gallup Poll, Ambassador Nomura observed that American public opinion was much more hostile to Japan than Germany; in fact, since July there had been an increase in the number of people who favored preventing Japan's further advance in the Pacific, even at the risk of war. At present the percentage was approximately 70% in favor of stopping Japanese aggression.

The attack on the *Greer* had served not only to increase the concern of the United States over the safety of travel on the Atlantic, but had also raised apprehension regarding shipping in the Pacific. If a similar accident ever occurred in the Pacific, the situation would then become irreparable.

Ambassador Nomura attributed the greater indignation of the American people over Japanese actions as compared with German to the fact that, in case of a war with Germany, it would be necessary to send an expeditionary army, whereas, in the case of a Japanese-American war, an army would not be necessary.<sup>248</sup>

A few days later, on September 10, 1941, Ambassador Nomura reported that there were rumors abroad regarding the speech to be made by President Roosevelt on September 11, 1941. Some declared that a shooting patrol would be established between the United States and Ireland for the defense of those waters, and others insinuated that the German submarine had deliberately attacked the *Greer* with the intention of forcing Japan to conclude the Japanese-American negotiations.<sup>249</sup>

In a message sent to Berlin reporting the increase in American military preparations, the Japanese government mentioned the stiffening of American public opinion against Japan. Since Germany appeared able to maintain a calm attitude toward the United States in spite of the pressure applied by the American government, Japan felt that its aim should be to keep America out of the European war. Rather than provoking the American people into uniting at this time, Japan recognized the advantages of appeasing the United States and, in the meantime, of working toward its internal disintegration.<sup>250</sup>

### 59. Ambassador Grew Delivers American Statement to Foreign Minister Toyoda (September 10, 1941)

In compliance with his instructions, Ambassador Grew called upon Foreign Minister Toyoda on the evening of September 10, 1941 to deliver a statement from the State Department. Be-

<sup>247</sup> *Ibid.*

<sup>248</sup> III, 144. In reporting on American production, Ambassador Nomura pointed out that during 1941 the payment for war materials exceeded an average of \$1,000,000 monthly and the production output was four or five times more than that of the preceding year.

<sup>249</sup> III, 145.

<sup>250</sup> III, 146.

fore beginning his remarks, Ambassador Grew made it clear to the Japanese Foreign Minister that the inquiries of the United States government in the statement he had presented were merely exploratory and preliminary, and further questions might emerge from an additional study of the Japanese proposals.<sup>251</sup>

The statement declared that although the United States was still examining the Japanese commitments which had been delivered by Foreign Minister Toyoda to Ambassador Grew on September 4, 1941 and by Ambassador Nomura to Secretary Hull on September 6, 1941, the United States had in view an agreement which would provide the basis for an understanding between the two countries by which China would receive just and equitable treatment and the rights of all Pacific powers would be observed.<sup>252</sup>

To ensure future peace and stability throughout the Far East, it was recognized that a fair settlement of the controversies between China and Japan must first be effected. In replying to previous Japanese proposals, the United States had made it clear that it was in no position to assist in the settlement of the China Incident without first receiving definite assurance that Japan's terms were consistent with the principles of the United States. As a result of Tokyo's insistence that Japanese troops should remain in Inner Mongolia and North China for an unspecified period, and because the Japanese government refused to act without discrimination in its commercial relations with China, collaboration between those two countries had not been achieved.

In its latest proposals it appeared that Japan intended to negotiate with China directly, relieving the United States of any responsibility in the matter; and ignoring America's intention, before negotiating with Japan, to confer with the governments of China, Great Britain and the Netherlands in order to evolve a peace beneficial to the legitimate concerns of all powers interested in that area. Since America believed that if the Japanese government were willing to propose equitable and just terms to Chungking, no difficulties would be incurred, the United States intended to continue to render assistance to China in its resistance to aggression.

From the study of these recent Japanese proposals, certain questions had arisen which Japan was requested to answer. Referring to Japan's assertion that it was prepared to subscribe to the points upon which tentative agreement had been reached in Washington, the United States asked whether Japan referred to the points in the American draft of June 21, 1941 which were identical to those in the draft submitted by Ambassador Nomura on September 4, 1941 or some other points. Since certain stipulations in the September 4, 1941 proposals appeared to limit the principles set forth during the informal conversations, the United States requested clarification of certain points.

In regard to the principle of non-discrimination in international commerce, America questioned the extent to which Japan would carry out these liberal economic activities in the Far East. Pointing out that Japan had stated that the economic rights of the United States in China would not be restricted as long as they were pursued on an "equitable basis," the American government asked for the precise meaning of this term and whether Japan would be the sole judge in interpreting it. Although the United States was still carefully examining the Japanese statement of its attitude regarding the European war, it felt that the formula was inadequate in that it permitted Japan to interpret independently any commitment on this score. However, the question would be studied further.<sup>253</sup>

<sup>251</sup>"Memorandum by the Ambassador in Japan (Grew)", September 10, 1941, *S.D.*, II, 610.

<sup>252</sup>"Statement handed by the American Ambassador in Japan (Grew) to the Japanese Minister of Foreign Affairs (Toyoda)", September 10, 1941, *S.D.*, II, 610-613. Foreign Minister Toyoda sent Ambassador Nomura a copy of this message on September 12, 1941. See III, 147-153.

<sup>253</sup>*Ibid.*

After glancing through the American statement both Foreign Minister Toyoda and Mr. Terasaki questioned the American reference to the Japanese proposals delivered to Secretary Hull on September 4, 1941. Foreign Minister Toyoda explained that he did not have in his possession the text of the draft proposal delivered on September 4, 1941 by Ambassador Nomura to Secretary Hull. Nevertheless, the Tokyo officials insisted that the Japanese draft of September 4, 1941 did not cancel any of the terms upon which previous agreements had been reached with the United States during the conversations in Washington. However, Foreign Minister Toyoda and Mr. Terasaki emphasized the fact that their remarks in this connection were unofficial.<sup>254</sup>

## 60. Foreign Minister Toyoda Inquires Concerning Ambassador Nomura's Proposal of September 4, 1941

Since Foreign Minister Toyoda had not been informed of the contents of the proposal submitted to the United States by Ambassador Nomura on September 4, 1941 and mentioned by Ambassador Grew during the conversation held on September 10, 1941, he asked that information concerning it be sent to him by the Japanese Ambassador in Washington.<sup>255</sup>

## 61. Ambassador Nomura Explains Purpose of Proposals of September 4, 1941

In his reply Ambassador Nomura stated that, acting upon his own initiative to sound out American opinion, he had submitted a number of additional revisions to the original American proposal, and had presented them to Secretary Hull on September 4, 1941 as his own suggestions. At that time Ambassador Nomura had not received his government's reply to the American proposals, but having since received it, he had withdrawn his own suggestions.<sup>256</sup>

## 62. Hull-Nomura Conversation (September 10, 1941)

### (a) *State Department's Report*<sup>257</sup>

Complying with the instructions of the Japanese government, Ambassador Nomura and Mr. Obata called at Secretary Hull's apartment on September 10, 1941 to discuss President Roosevelt's forthcoming speech. Since any indiscriminate reference to Japanese-American relations could stimulate pro-Axis activity in Japan, the Japanese Ambassador expressed the wish that discretion be employed in mentioning such incidents as the *Greer* incident because of its possible effect on the extremist elements in his country. Although refusing to give any indication of the contents of President Roosevelt's speech, which he stated had already been prepared, Secretary Hull assured Ambassador Nomura that he thoroughly understood the desirability for avoiding anything which would be detrimental to Japanese-American relations.

Ambassador Nomura requested Secretary Hull's reaction to the Japanese proposals of September 6, 1941. Commenting that these proposals narrowed the spirit and scope of previous understandings which had related to a broad and liberal agreement covering the entire Pacific area, and that in view of Germany's attempted world conquest, the Tripartite Pact could only be interpreted as a military alliance, Secretary Hull said the new proposals did not meet these difficulties.

Mr. Obata remarked that the recent Japanese proposals did not limit in any way the spirit of previous tentative agreements or the original proposal. In order, therefore, to eliminate any misunderstanding, Secretary Hull suggested that Mr. Hamilton and Mr. Ballantine discuss any disputable points in the proposals with Ambassador Nomura and Mr. Obata.

<sup>254</sup> "Memorandum by the Ambassador in Japan (Grew)", September 10, 1941, S.D., II, 610.

<sup>255</sup> III, 154.

<sup>256</sup> III, 155.

<sup>257</sup> "Memorandum of a conversation", September 10, 1941, S.D., II, 613-614.

Agreeing with the Japanese Ambassador who stressed the necessity of proceeding immediately with definite negotiations for peace, Secretary Hull declared nevertheless that conversations for discovering any divergent policies must be conducted in Washington, and not in Tokyo as suggested to Ambassador Grew by Foreign Minister Toyoda. However, Ambassador Grew had been instructed to explain any points which were not clear to the Japanese government and to obtain clarification of the Japanese point of view, if necessary.<sup>258</sup>

(b) *Ambassador Nomura's Report*<sup>259</sup>

Acting upon the instructions received from Tokyo, Ambassador Nomura called on Secretary Hull on the morning of September 10, 1941 in order to request that President Roosevelt make no reference to the Japanese-American situation in his broadcast regarding the *Greer* incident. Although Secretary Hull refused to commit himself in any way he agreed to the necessity of maintaining strict secrecy in all Japanese-American negotiations. Secretary Hull remarked that although there was a discrepancy between the American and German accounts of the *Greer* incident, the consistency of past American reports, and the constantly contradictory statements of Chancellor Hitler made it apparent that the United States' announcement was the more reliable.

To Ambassador Nomura's inquiry concerning the time when an answer to the Japanese government's proposals of September 6, 1941 might be expected, Secretary Hull replied that he had not found the opportunity to discuss the Japanese proposals personally with President Roosevelt since the last Cabinet meeting had been held on the previous Friday. However, he promised to confer with President Roosevelt following the broadcast on September 11, 1941. Secretary Hull indicated his dissatisfaction because the Japanese government had narrowed the scope of the proposed agreement by its latest document.<sup>260</sup>

Ambassador Nomura pointed out that concessions already agreed upon in previous discussions had been omitted from these latest Japanese proposals, and he had discussed only those points upon which no agreement had yet been reached. According to Ambassador Nomura, the United States was attempting to find the stand which Great Britain, China and the Netherlands intended to take on the question.<sup>261</sup>

### 63. Japanese-American Conversation (September 10, 1941)

(a) *State Department's Report*<sup>262</sup>

Pursuant to the arrangements made by Secretary Hull and Ambassador Nomura earlier in the day, Mr. Hamilton, Mr. Ballantine, and Mr. Schmidt conferred at the Japanese Embassy about various points contained in the Japanese proposals of September 6, 1941. According to Mr. Obata, both he and Ambassador Nomura had been surprised at the United States' "misapprehension" that the proposals impeded the progress made in the informal conversations. According to both Japanese representatives the Japanese government intended that its latest proposals should supplement the points previously agreed upon during the informal conversations in Washington, and should confirm the commitments made by Prince Konoye through Ambassador Nomura to President Roosevelt.

When asked by Mr. Ballantine if Japan believed that the American statement of June 21, 1941 still represented a basis for a proposed agreement between the two governments, Mr.

<sup>258</sup> *Ibid.*

<sup>259</sup> III, 156-157.

<sup>260</sup> III, 156.

<sup>261</sup> III, 157.

<sup>262</sup> "Memorandum of a conversation", September 10, 1941, initialed by Max W. Schmidt, S.D., II, 614-619.

Obata replied in the affirmative. At the same time he added that the document given to Secretary Hull by Ambassador Nomura on September 4, 1941 had not been referred to Tokyo, and, thus, merely represented Ambassador Nomura's personal opinion and not the official views of the Japanese government.

Mr. Ballantine then observed that there still appeared to be certain inconsistencies between the proposals made by the Japanese government on September 6, 1941, and earlier Japanese statements. Referring to portions of the Japanese proposals which were believed to modify previous commitments, Mr. Ballantine discussed Japan's attitude toward aggression in French Indo-China. In conveying broad assurances of the peaceful intentions of the Japanese government, Prince Konoye had previously guaranteed the withdrawal of troops from this territory, but in the document received by Secretary Hull on September 6, 1941 Japan agreed only to refrain from advancing into areas adjoining French Indo-China.

Mr. Obata replied that Prince Konoye's proposals had not in any way been modified, and when Mr. Ballantine commented on the difference in the two Japanese proposals in one of which Japan promised not to attack to the north, and in the other it undertook not to attack to the south of the Empire, Mr. Obata insisted that Japan did not plan to use military force against any nation without any justifiable reasons. However, he agreed to inquire whether "north" or "south" were meant in the proposal, and whether "without any justifiable reason" applied to areas adjoining Indo-China as well as north or south of Japan.

Since the question of Japanese-Chinese cooperation had remained an issue throughout the negotiations, Mr. Ballantine turned to the problems opposing a satisfactory settlement. Although Mr. Obata and Ambassador Nomura were somewhat vague regarding their government's position, both expressed belief that Tokyo still desired the assistance of President Roosevelt in effecting a reconciliation. As had been pointed out in previous conversations, however, the American officials declared that before the United States government could approach Chungking with a Japanese peace proposal, the policies of Japan would have to conform with the fundamental principles to which the governments of both the United States and Japan be committed. Reiterating that peace would be accomplished only by the adoption of a broad, progressive policy in all international relations as well as by avoiding any bitterness on the part of China, Mr. Hamilton insisted that the best interests of Japan lay in this direction.

In the past, the Japanese government had not honored its commitments, Mr. Hamilton stated, and therefore, Japan must now prove the sincerity of its intentions by some definite action such as the withdrawal of troops from occupied territories. Mr. Obata concurred with these statements. Nevertheless, he pointed out that the withdrawal of armed forces from China presented a difficult problem. Therefore, he suggested that the United States make a draft of the commitments which they desired Japan to make relating to the China Incident. But Mr. Ballantine observed that the Japanese government was in a better position to draw up a document embodying its plans.

From the phraseology of clause (e) of the Japanese proposals, which Mr. Obata conceded was bad, it had appeared to the American government that Japan felt that it was entitled to special rights in China. In view of this, Mr. Ballantine questioned the Japanese representatives concerning the future application of nondiscriminatory commercial practices by Japan in China and throughout the entire Pacific area.

At this time Mr. Ballantine handed to Mr. Obata, for the consideration of the Japanese government, a tentative redraft of Section V of the Japanese proposals of September 6, 1941, which American economic experts had prepared to clarify the commercial activities of both nations in the Pacific.<sup>263</sup> It stated that by pledging themselves to conform to the principles of

<sup>263</sup> *Ibid.*

nondiscrimination in international commercial relations, both Japan and the United States agreed to create an international trade and investment situation conducive to the mutual acquisition of essential commodities. Both governments were to co-operate with each other in obtaining such basic supplies, on a nondiscriminatory basis, as oil, rubber, tin, and nickel, as well as other products essential to maintain their economic life.<sup>264</sup>

After completing the discussion of Japan's tentative commitments, the American representatives turned to the reciprocal measures which the Japanese proposals called upon the American government to make. If the Japanese government were to offer China a just and equitable settlement, Mr. Ballantine believed that there would be no difficulties in achieving an acceptable agreement. Therefore, America did not share the Japanese belief that the continuation of United States' aid to China would be detrimental to Japan's conclusion of the China Incident.

As Secretary Hull had previously informed Ambassador Nomura, the United States, before concluding any agreement with Japan regarding the Pacific area, intended to confer with the Chinese government and other nations sharing responsibilities in the Pacific, since the problems involved could not be solved by the United States and Japan alone. Mr. Ballantine said that Ambassador Grew had been fully informed of the attitude of the American government.

As the conference drew to a close, Mr. Obata suggested that the United States prepare a complete statement embodying all the earlier proposals made by both America and Japan. Mr. Hamilton replied that it would be more desirable to have changed the questions which the United States had raised in this meeting before drafting a new agreement. Mr. Obata concurred and promised to have a reply from Tokyo by the next afternoon.

In the opinion of the American representatives, neither Ambassador Nomura nor Mr. Obata knew definitely the intentions of their government. The Japanese representatives were certain only that Tokyo desired that the meeting of the two government heads take place in the immediate future.<sup>265</sup>

#### (b) *Ambassador Nomura's Report*

At the request of Secretary Hull the American officials, Mr. Hamilton, Mr. Ballantine and Mr. Schmidt, had called at the Japanese Embassy to raise certain questions regarding the Japanese proposal submitted to the American government on September 6, 1941.<sup>266</sup>

Referring to the "undertakings" of Japan the American representatives had asked for a specific explanation of "matters upon which the two countries have agreed during the preliminary informal conversations". They also questioned whether the draft of the Japanese-American understandings formulated during the past negotiations could now provide the basis for a future agreement. Further inquiries were made concerning the words "without any justifiable reason" which Japan had included in clause (b) of its statement regarding its further expansion in the Far East.

Although Messrs. Hamilton, Ballantine and Schmidt had requested an explanation of the entire clause (d) in relation to the withdrawing of troops from China, Ambassador Nomura avoided making a definite statement, since it would involve a discussion of the stationing of these troops for anti-Communistic purposes.<sup>267</sup>

<sup>264</sup> "Draft statement given to the Japanese Ambassador (Nomura)", September 10, 1941, *S.D.*, II, 619. For the Japanese version of this message, wired to Tokyo on September 10, 1941, see III, 158.

<sup>265</sup> "Memorandum of a conversation", September 10, 1941, initialed by Max W. Schmidt, *S.D.*, II, 614-619.

<sup>266</sup> III, 159.

<sup>267</sup> III, 160.

Ambassador Nomura stated that the American officials had been given the impression by the latest Japanese proposals that in spite of its guarantee to preserve the principle of equal treatment throughout the entire Pacific area, Japan desired to hold a special position in China.<sup>268</sup>

In view of this and other considerations Mr. Hamilton in his conversation with Ambassador Nomura on September 10, 1941 requested a redraft of the proposals relating to economic activities.<sup>269</sup>

#### 64. Publicity Concerning Mr. Kasai Arouses Japanese Concern

To effect control over information released to newspapers, Tokyo directed Ambassador Nomura to warn Mr. Kasai, a member of the Japanese Diet who had recently arrived in the United States, to refrain from making further comments on Japanese-American negotiations.<sup>270</sup> Through newspaper articles in which he had expressed opinions on the present political situation and, in particular, his views in regard to the Tripartite Pact, Mr. Kasai had already added greatly to the tension existing between the two countries.

Consequently, Mr. Yiguti asked that Mr. Kasai curtail his activities. In defense of his actions, Mr. Kasai explained that he had tried sincerely to better the situation. He regretted, therefore, that his opinions, which had been constantly exaggerated by newspapermen, had jeopardized current Japanese-American relations.<sup>271</sup>

#### 65. Ambassador Nomura Appraises American Attitude Toward New Japanese Proposals

From Ambassador Nomura's report of September 11, 1941, based on preliminary Japanese-American negotiations, it was evident that the major difficulty encountered stemmed from the stationing of Japanese troops in China for allegedly anti-Communistic purposes. Because of its obligations to China and the opposition of domestic public opinion, the United States found it impossible to recognize the terms of the Tokyo-Nanking Agreement.

In the message of June 21, 1941 the American government had expressed its desire that a new agreement be drawn up between China and Japan whereby Japanese troops would be removed from China at the earliest possible moment. Recently, the American attitude had become more forceful, and it now demanded that Japan complete the evacuation of troops from China within a two year period after the resumption of peaceful relations. According to Ambassador Nomura, the strengthened attitude of the United States had resulted from its talks with China.<sup>272</sup>

In regard to various other points included in the Japanese proposals, Ambassador Nomura entertained little doubt that a successful agreement could be reached concerning them. Nevertheless, there was an actual danger that Japanese-American negotiations would fail as a result of the disagreement on troop evacuations. In order to overcome this obstacle, Ambassador Nomura, suggesting that the Japanese government agree to remove its troops within two years after the restoration of peace, declared that an immediate and definite decision on this point would increase the probable success of future negotiations. The State Department had already inquired about Japan's position regarding its troops in China,<sup>273</sup> and in spite of four notes presented by representatives of the Japanese government, Japan's interpretation of several phrases still caused certain doubts about the proposed agreements.<sup>274</sup>

<sup>268</sup> III, 161.

<sup>269</sup> III, 162.

<sup>270</sup> III, 163.

<sup>271</sup> III, 164.

<sup>272</sup> III, 165.

<sup>273</sup> III, 166.

<sup>274</sup> III, 159.

Though the matter of evacuating troops from occupied China was actually a problem to be settled only between Japan and China, the question had been introduced into the negotiations with America in view of a possible agreement with the United States to have it use its good offices in ending the China Incident. Therefore, Ambassador Nomura suggested that the Japanese government agree to accept the terms of the United States in order to bring about the desired understanding.

Considerable time would elapse after the leaders' conference and the resulting peace conference, and although Japan would agree to evacuate its troops within two years after the resumption of peaceful relations, world affairs might make it essential that Japan enter into a new agreement which would extend the period of garrisoning Japanese troops in China. Because of circumstances existing in the future, Japan might even prolong the time limit in the name of protecting its nationals' lives and property. Through this method, no conflict would arise with Japan's established national policy.<sup>275</sup>

Because of various domestic problems in Japan, Ambassador Nomura recognized the difficulty in making this concession. The phrase "stationing of troops to counter Communism" would be deleted from the proposals, but, instead a clause would be inserted to permit a certain number of troops to "act in cooperation with the Chinese to counter acts which imperil the tranquillity of the nation (non-militaristic in nature)".

Taking this opportunity to discuss the attitude of the Japanese press regarding the possibility of an understanding between the United States and Japan, Ambassador Nomura assured his Foreign Office that optimistic views were neither warranted nor to the interest of Japan. At press conferences in Washington, Secretary Hull had stated that there were still serious and delicate problems to be settled, and in view of this attitude, Ambassador Nomura asked that Tokyo guide accordingly the editorial policies of Japanese papers.<sup>276</sup>

#### **66. Japan Instructs Ambassador Nomura Not To Change Diplomatic Documents**

On September 11, 1941 in answer to Ambassador Nomura's request for approval of certain changes he had made in Prime Minister Konoye's message to President Roosevelt and in the Japanese government's reply,<sup>277</sup> Tokyo informed him that all important documents were submitted to both the government and the controlling factions of the political parties for approval before being transmitted abroad. If Ambassador Nomura had any doubts regarding points in one of these messages, Tokyo requested that he cable all inquiries and suggestions to the Foreign Office before delivering the texts to the American government, since extreme caution had to be exercised in maintaining liaison with the various departments concerned.<sup>278</sup>

Ambassador Nomura replied on September 17, 1941 that such a procedure was very logical. In view of the strict precautions taken by the Tokyo Foreign Office in sending these dispatches Ambassador Nomura felt deeply responsible for the inadvertent omissions made in certain transmissions.<sup>279</sup>

#### **67. Ambassador Nomura Appraises President Roosevelt's Speech**

As had been previously announced, on September 11, 1941 President Roosevelt spoke over the radio concerning the official attitude of the United States toward the *Greer* incident. Be-

<sup>275</sup> III, 167.

<sup>276</sup> III, 168.

<sup>277</sup> III, 81.

<sup>278</sup> III, 169.

<sup>279</sup> III, 170.

cause Tokyo had believed that the speech might have a significant effect on current Japanese-American relations, Ambassador Nomura submitted his impression of it on the following day.<sup>280</sup>

Ambassador Nomura believed it to be a strong speech actually amounting to a challenge of war, and though delivered in a grave tone of voice, without resorting to strong expressions, it was "comparable to a clenched fist clothed in a silk glove". From various newspaper reports, which appeared to be in favor of President Roosevelt, it was assumed that he had succeeded in accomplishing his purpose.<sup>281</sup>

Nevertheless, a portion of the American people was opposed to President Roosevelt's policies. Expressing the opinion of this minority group at a meeting of the America First Committee at Des Moines, Iowa, Colonel Lindbergh stated that a three-party alliance composed of England, Jewry and the Roosevelt Administration were leading the United States into war.<sup>282</sup>

In Ambassador Nomura's own opinion there were many other factors driving the United States into the war. Because of the great expansion of productive and economic organizations undertaken under the pretext of national defense, the United States was obliged to join the war in order to prevent their disintegration. According to the Japanese Ambassador, the *Greer* incident had been welcomed by President Roosevelt as a means of turning public opinion in his favor.<sup>283</sup>

#### 68. Chungking and Nanking Governments Opposed to Japanese-American War

By correlating information collected from various Chinese sources, Tokyo was able to notify its Embassy in Washington on September 12, 1941 of Chungking's attitude toward Japanese-American negotiations.<sup>284</sup> Allegedly suffering because of selfish American interests and receiving little support for a counter-offensive against Japan, Chungking was reported as being in constant anxiety over the American policies in the Far East. It was the general belief in Chungking that the outcome of the Japanese-American conversations depended largely upon the Russo-German war. On the other hand, even in the event that a compromise was effected between the United States and Japan, Chungking felt that it would not effect the United States' attitude toward China.

Through the American Ambassador to China, Generalissimo Chiang Kai-shek had proposed that the settlement of a Japanese-Chinese peace be based on President Roosevelt's eight point principles (Atlantic Charter?). To this suggestion Secretary Hull had answered that China would not be sacrificed by the United States. While there were a few in the Chungking government who believed that war between Japan and the United States would be advantageous to China, the general opinion was that such a war would reduce the material aid from the United States and, therefore, it would prove unprofitable to Chungking. A recent conference held by Chungking leaders had not been able to reconcile these divergent views.<sup>285</sup>

Influential officials of the Chungking government had stated that if the United States sought temporary stability at the cost of Chungking, instead of forcing Japan into submission, the Chinese government would continue to resist Japanese aggression unaided. Mr. Sun Fo, a member of the Central Executive Yuan, desired even stronger action. However, since these views were expressed in accordance with a propaganda order of the Chungking government, Japan did not regard them as representative of the true psychology of the government.

<sup>280</sup> III, 171

<sup>281</sup> *Ibid.*

<sup>282</sup> III, 172.

<sup>283</sup> III, 171.

<sup>284</sup> III, 173.

<sup>285</sup> *Ibid.*

Although no serious consideration had as yet been given to the Nanking government's relation to a Japanese-American war, a report made by Ambassador Kumataro Honda indicated that Nanking believed the United States had no intention of fighting against Japan. If war did break out, however, these Nanking officials, impressed with the power of the United States, appeared certain of the inevitability of Japan's defeat. Since the foundation upon which the People's government was built would be gravely imperiled by such a war, Nanking was anxious to have war in the Far East averted.<sup>286</sup>

#### 69. Foreign Minister Toyoda Clarifies Points in Japanese Proposals (September 13, 1941)

##### (a) *Ambassador Grew's Report*<sup>287</sup>

To discuss divergencies in view arising from the Japanese proposals, Ambassador Grew attended a meeting, at which Foreign Minister Toyoda, Mr. Terasaki and Mr. Inagaki, of the American Bureau of the Japanese Foreign Office, and Counselor Dooman, of the American Embassy, were present. The Foreign Minister opened the conference by reading instructions which were being telegraphed to Ambassador Nomura as the official Japanese reply to queries made by the United States government on September 10, 1941.<sup>288</sup>

These instructions stipulated that the tentative commitments formulated by the Japanese government on September 6, 1941, together with the points agreed upon during the informal conversations at Washington, were to constitute the basis for an understanding between the United States and Japan. Apparently, the United States had misunderstood Japan's attitude towards American arbitration of the China affair, for Japan still desired the assistance of President Roosevelt in settling this matter.

Referring to the term "without any justifiable reason", the Tokyo government explained that this point related to Japan's promise to refrain from any military advance into regions lying south of Japan. However, in order to prevent Communistic and other subversive activities from threatening the security of both Japan and China, Tokyo proposed that Japanese troops be stationed in China for the execution of common defense, in accordance with an agreement between both countries. Since the United States had exhibited considerable apprehension regarding Japan's violation of American rights and interests in China, the Japanese government had stated in its proposals that American economic activities would not be restricted so long as they were pursued on an equitable basis. Moreover, in spite of the close economic relations that would exist between Japan and China as a result of their geographical positions, the Japanese government had no desire to establish monopolistic or preferential rights for itself in China. Not only in the Southwest Pacific, but throughout the Far East, Japan promised adherence to the principle of commercial nondiscrimination.

After clarifying the terms of its tentative commitments, the Japanese government then proceeded to explain further the reciprocal measures expected of the United States. In asking the United States to refrain from any actions prejudicial to Japanese endeavors toward settling the China Incident, Tokyo requested that aid to the Chiang Kai-shek regime be discontinued.<sup>289</sup>

<sup>286</sup> III, 174.

<sup>287</sup> "Memorandum by the Ambassador in Japan (Grew)", September 13, 1941, *S.D.*, II, 620-622.

<sup>288</sup> "Proposed instructions to the Japanese Ambassador (Nomura) handed by the Japanese Minister for Foreign Affairs (Toyoda) to the American Ambassador in Japan (Grew)", September 13, 1941, *S.D.*, II, 623-624. These instructions were sent to Ambassador Nomura by Foreign Minister Toyoda on September 13, 1941. See III, 175-176.

<sup>289</sup> *Ibid.*

At the request of the Japanese Foreign Minister, Mr. Terasaki then read another statement expounding Japan's motives in extending the proposals of September 6, 1941. In order to obviate detailed discussions which would delay the proposed meeting between President Roosevelt and Prince Konoye, the Japanese government had drawn up these latest commitments with the intention of embodying therein all points upon which previous agreement had been made. Rather than curtail former commitments in any way, the Japanese government would even prefer to transcend the scope of the understandings formulated during the informal conferences. Japan would be willing to discuss the details once it had been agreed that a meeting of the heads of the two governments would be held.

In spite of the Japanese desire that the agreements between the United States and Japan be bilateral in nature, Tokyo entertained no objection to the United States' consulting with Holland, Great Britain or other countries which might be affected by the negotiations.

In conclusion Foreign Minister Toyoda expressed the desire that President Roosevelt be informed in detail of these discussions since he understood that his proposals of September 4, 1941 had not yet been seen by the President. To this last remark Ambassador Grew stated that Secretary Hull was constantly in communication with President Roosevelt and was responsible for deciding what data should be brought to President Roosevelt's attention.

After listening to the statement read by Mr. Terasaki, Ambassador Grew replied that the proposals delivered to him by the Foreign Minister on September 4, 1941 and to Secretary Hull by Ambassador Nomura on September 6, 1941 were still being reviewed by the United States' government. However, with the success of the proposed meeting in view, and mindful of the disastrous effects of a failure, America wished to clarify, in preliminary conversations, any divergent points in the proposals.

Foreign Minister Toyoda then delivered oral answers to the questions brought up by Ambassador Grew during a previous meeting. Referring to Ambassador Nomura's statement of September 4, 1941, Foreign Minister Toyoda again pointed out that it had contained only the personal views of the Japanese Ambassador and, consequently, could not be treated officially, especially since it had been withdrawn by Ambassador Nomura.

Insofar as the question on discrimination in commercial matters was concerned, the Japanese Foreign Minister assured Ambassador Grew that his government intended to observe equality in China and throughout the Pacific. The problems pertaining to China were to be discussed more fully in a reply to Mr. Hamilton's remarks made at a Washington conference.<sup>290</sup> Since the significance of the words "equitable basis" had been questioned, Foreign Minister Toyoda asserted that this referred to activities which were non-monopolistic and non-exploitive in nature.

The Japanese explanation of "equitable basis" stated that although qualified somewhat by certain inevitable natural limitations, resulting largely from Japan's geographical situation, this term guaranteed the application of the principle of nondiscrimination in all economic dealings. Japan was not to be the sole judge in interpreting what constituted an "equitable basis".<sup>291</sup>

With reference to the formula relating to the attitudes of Japan and the United States toward the European war, Admiral Toyoda stated that he would refrain from making comment

<sup>290</sup> "Memorandum by the Ambassador in Japan (Grew)", September 13, 1941, *S.D.*, 620-622.

<sup>291</sup> Foreign Minister Toyoda wired the interpretation of "equitable basis" to Ambassador Nomura on September 13, 1941. See III, 177-178.

until such time as the United States brought up the question. However, he deemed it advisable that the matter be discussed by President Roosevelt and Prince Konoye at the proposed meeting.

Because of the dangerous internal situation existing in Japan, and because of the efforts of third powers to forestall a Japanese-American alliance, Foreign Minister Toyoda emphasized the urgency of an immediate meeting between President Roosevelt and Prince Konoye. The Japanese Foreign Minister reminded Ambassador Grew again that the anniversary of the Tripartite Pact would be celebrated on September 27, 1941. In view of Foreign Minister Toyoda's great desire for speedy action, Ambassador Grew promised to transmit his views to Secretary Hull again. He also stated that the State Department desired to continue the discussions in Washington rather than in Tokyo.<sup>292</sup>

(b) *Foreign Minister Toyoda's Report*<sup>293</sup>

Foreign Minister Toyoda informed Ambassador Nomura on September 13, 1941 that he had explained Japan's position to Ambassador Grew in accordance with the instructions he was sending in a separate dispatch.<sup>294</sup> He had also elucidated the meaning of "equitable basis" as used in the text of the Japanese proposal.<sup>295</sup>

#### 70. Foreign Minister Toyoda Upholds Japanese Proposals

In a message to Ambassador Nomura on September 13, 1941 Foreign Minister Toyoda declared that although President Roosevelt had not yet considered the Japanese proposals, several important points had been adequately discussed therein.<sup>296</sup> The preliminary parleys desired by the United States had been included in the statement, despite Japan's objection that such parleys involved discussions of minutiae, and as a result became long drawn out. In a mere repetition of the various steps already discussed, administrative officials could produce no immediate results. Only a statesmanlike consultation between the leaders of the two countries could be successful at this point.

Japan desired to reach some agreement with the United States concerning the whole situation. With this purpose in view, Foreign Minister Toyoda asked that Ambassador Nomura bring the contents of his reference message<sup>297</sup> to the attention of President Roosevelt with a request that the President explain his own intentions.

It was evident that Japan stressed a general settlement, based on the view of the situation in its entirety rather than on individual questions. By reducing the business and legal discussions to a minimum, a conference of the two leaders could be convened without further delay, using Foreign Minister Toyoda's message<sup>298</sup> as the basis for this major conversation. If this general meeting took place, conferences covering specific problems could be resumed as necessary.

For Japan to accept without modification the four principles laid down by the United States would give the general impression that it had submitted to American pressure. If then it were made known that the United States were consulting with Great Britain, the Netherlands, China and other interested nations regarding its dealings with Japan, the world at large would interpret this action as a revival of the nine-power treaty policy.

<sup>292</sup> S.D., II, 622.

<sup>293</sup> III, 175.

<sup>294</sup> See III, 176.

<sup>295</sup> See III, 177-178.

<sup>296</sup> See III, 179.

<sup>297</sup> See III, 122.

<sup>298</sup> *Ibid.*

Foreign Minister Toyoda pointed out the importance of keeping the parley, both in form and fact, a negotiation between only Japan and the United States. Although recognizing that the United States would confer with those countries as a matter of form, the Japanese government did not wish the conference to develop into an agreement among many countries.<sup>299</sup>

The Foreign Minister stressed that he did not intend to reject the questions raised in the American reply of September 12, 1941<sup>300</sup> but wished to emphasize the points contained in his own proposals.<sup>301</sup>

## 71. Ambassador Nomura Stresses the Need for Preliminary Conversations

In spite of Japan's conviction that its proposals formed a satisfactory and workable basis for peace, Ambassador Nomura nevertheless recognized the urgent need for preliminary conferences to overcome some of the difficulties arising from divergent viewpoints.

In summing up the diplomatic situation on Setpember 15, 1941 for his Foreign Office, Ambassador Nomura noted that President Roosevelt had already stated that if the Pacific problems could not be solved in the preliminary conversations between the Japanese Ambassador and Secretary Hull, they would remain unsettled regardless of who participated in the conference,<sup>302</sup> especially since Secretary Hull had said that he had never disagreed with President Roosevelt on foreign policies.

Referring to the phrases "Communistic and other subversive activity", and "common defense in China", appearing in Foreign Minister Toyoda's last message, Ambassador Nomura expressed the opinion that these terms would create future problems between Japan and the United States. Since the United States wanted to know the prospective peace terms between Japan and China and refused to act as an intermediary in any unjust negotiations, Ambassador Nomura felt that Japan must outline its policies toward China in more concrete terms. Unless the opinions of both Japan and the United States on this and related problems coincided at the preliminary conversations, no meeting could be held between President Roosevelt and Prime Minister Konoye.

After viewing the national characteristics of the United States and the position of President Roosevelt, Ambassador Nomura was certain that the interpretation of the Tripartite Pact could not be accomplished from a political standpoint by the "leaders" at the conference. He declared that if an agreement could not be reached at the preliminary meeting there would be no "leaders" conference. Although the United States had expressed the desire to discuss Japanese-American negotiations with the governments of Great Britain, China and the Netherlands, it did not wish to include a third power in the agreement between Japan and the United States. The American motive for revealing its Far Eastern policy to the other countries was to eliminate the fear that the United States was sacrificing them in an effort to effect an understanding with Japan.

In spite of the apparent insignificance of his diplomatic work Ambassador Nomura assured Foreign Minister Toyoda that he would continue to carry out all instructions concerning the proposed negotiations. However, he intended to drop any discussions of the points being dealt with in Tokyo, and to watch merely for any new developments.<sup>303</sup>

<sup>299</sup> See III, 179.

<sup>300</sup> See III, 148.

<sup>301</sup> See III, 122.

<sup>302</sup> III, 180.

<sup>303</sup> *Ibid.*

## 72. Ambassador Grew Confers with Ambassador Shigemitsu (September 17, 1941)

In Tokyo the Japanese government took the initiative in attempting to reach an agreement on the divergent views mentioned by Ambassador Nomura. Probably with both the knowledge and approval of either Prince Konoye or Foreign Minister Toyoda, Mr. Shigemitsu, the Japanese Ambassador recently recalled from England, met with Ambassador Grew to discuss current issues between Japan and the United States.<sup>304</sup>

In reviewing Japan's attitude toward the informal conversations, Mr. Shigemitsu said that his government was united in its efforts to bring about an adjustment of relations with America. However, in order to prevent the mobilization of anti-American forces in Japan, the discussions must culminate in an agreement without delay, for should Prime Minister Konoye's endeavors fail, the efforts of other Japanese statesmen would also be futile.

In explaining to Mr. Shigemitsu the grave dangers of attempting official negotiations without adequate preliminary understandings, Ambassador Grew pointed out the broad interpretation which could be applied to the Japanese proposals. Moreover, past experience in dealing with the Japanese government had discouraged the United States concerning Japan's ability and sincerity in carrying out commitments.

Since the present Japanese Cabinet was supported by the responsible chiefs of the armed forces, Mr. Shigemitsu believed that no such difficulties would arise after the present negotiations had been completed. Any agreement undertaken with the American government would be faithfully executed in the course of time by the Japanese.

Emphasizing that what he was about to say was in the strictest confidence, Mr. Shigemitsu further stated that even during Mr. Matsuoka's tenure of office and Japan's strict adherence to Axis policies, the Japanese Emperor had desired the establishment of closer relations with both the United States and England. It had been for this reason that Mr. Shigemitsu had been recalled from London.<sup>305</sup>

## 73. Mr. Ushiba Calls on Mr. Dooman (September 17, 1941)

Anxious to determine whether these conversations in Tokyo were furthering the aims of Japanese-American negotiations, Mr. Ushiba, Prince Konoye's private secretary, visited Counselor Dooman on September 17, 1941 to ask if Washington had made any comments on the secret meeting between Ambassador Grew and the Japanese Prime Minister on September 6, 1941.<sup>306</sup>

According to Mr. Dooman, Secretary Hull had telegraphed his appreciation of the attitude exhibited by Prince Konoye throughout his conversations with Mr. Grew, but the statement handed by Ambassador Nomura to Secretary Hull on September 4, 1941 had so confused the issues at stake that Ambassador Grew had not felt justified in seeking another interview with Prime Minister Konoye.

Assuring Mr. Dooman that the Japanese Cabinet had been disturbed over Ambassador Nomura's actions in this matter, Mr. Ushiba revealed that Prince Konoye had telegraphed Ambassador Nomura a statement in reply to the American draft of June 21, 1941. However, in view of the Cabinet crisis which had arisen in Japan at that time, Ambassador Nomura had withheld that document and had composed instead a brief memorandum which had been of little help. Since in his recent memorandum Ambassador Nomura had neglected to men-

<sup>304</sup> "Memorandum by the Ambassador in Japan (Grew)", September 17, 1941, *S.D.*, II, 624-625.

<sup>305</sup> *Ibid.*

<sup>306</sup> "Memorandum by the Counselor of Embassy in Japan (Dooman)", September 18, 1941, *S.D.* II, 626-629.

tion Japan's desire that President Roosevelt take part in Japanese-Chinese peace plans, another misunderstanding had arisen. Ambassador Grew commented that a week's delay had ensued through no fault of the American government.

Mr. Ushiba did not object to America's desire to understand the aims and objectives of the Japanese before making arrangements for a meeting between the heads of the two governments. Moreover, although his government proposed to maintain the principle of the open door in China, he realized that Japan had failed, despite months of informal conversations in Washington, to indicate any exact plan for accomplishing this. Therefore, Mr. Ushiba suggested that the United States ask Japan to disclose its definite terms for peace with China.

Mr. Dooman reminded Mr. Ushiba that the American government had often indicated its desire to know and, in the June 21, 1941 draft, had specifically asked for Japan's peace terms. It had been assumed, therefore, that Japan had been unwilling to disclose them. Mr. Ushiba was certain that Prince Konoye, as evidence of the good faith of the Japanese government, would communicate Japan's ideas on peace with China to Ambassador Grew. It was agreed that Mr. Ushiba would take the initiative in suggesting that Prince Konoye communicate the terms to Ambassador Grew. On the other hand, Ambassador Grew, if he felt able to do so, would inform Prince Konoye of his desire to learn these terms.

The discussions then turned to the attitude of Japan and the United States toward the European war. Although he felt that Japan could not give a prior guarantee to interpret as defensive any action of the United States against Germany, Mr. Ushiba, nevertheless, believed that Prince Konoye would be able to give assurances concerning Japan's attitude toward the European war which would meet with the approval of President Roosevelt. However, the manner in which the Japanese government would explain to Germany about an understanding reached with the United States was of great concern to Tokyo. Mr. Dooman assured Mr. Ushiba that the United States would not request Japan to betray its treaty commitments.

Continuing in this vein, Mr. Dooman stated that usually in treaties of alliance any policies formulated were designed to serve the common end of those concerned with the agreement. In the Tripartite alliance, therefore, there seemed to be no obligation on Japan's part to conform to principles benefiting Germany exclusively. In view of this attitude, Japan could inform Berlin that it had undertaken an understanding with the United States, although it was still prepared to fulfill its obligations under Article III of the Tripartite Pact.

With regard to former Foreign Minister Matsuoka's interpretation of the treaty with Germany, Mr. Dooman pointed out that, after returning from Moscow, Mr. Matsuoka had expressed the belief that in the event of war between Germany and the United States, Japan would join the war on the side of the Axis powers.

Mr. Ushiba expressed amazement at Mr. Matsuoka's statement, and said that though he was aware that Mr. Matsuoka had differed with Prince Konoye on the interpretation of Article III, he had not been aware that Mr. Matsuoka had disclosed this information to foreign representatives. At the same time, however, he mentioned that during the period of the last Japanese Cabinet change, Mr. Matsuoka had informed the Prime Minister that Ambassador Grew had reported to Washington that the governmental change in Japan was due to American pressure.

Repudiating this idea, Mr. Dooman stated that Ambassador Grew had reported to Washington that the Japanese Cabinet change was due, first, to the German attack on Soviet Russia, which had upset the Japanese theory that peace would be maintained between Germany and Russia; and, second, the conflict between the Prime Minister and Mr. Matsuoka regarding the scope and significance of the Tripartite Pact. Mr. Ushiba then confirmed these assumptions.

As the conference drew to a close, Mr. Ushiba again stressed the necessity of America's accepting the Japanese proposal without delay.<sup>307</sup> A day later, September 18, 1941, Mr. Ushiba telephoned to Mr. Dooman to say that within a day or two Prince Konoye would give Ambassador Grew the terms of peace which Japan would offer China.<sup>308</sup>

#### 74. Ambassador Nomura Urges Japan to Make a New Proposal

On September 17, 1941, Ambassador Nomura sent a report to Tokyo summarizing the situation which was preventing the completion of successful Japanese-American negotiations. Of the three main points debated during the informal conversations, both Japan and the United States had agreed in principle on two. At a meeting with President Roosevelt on August 6, 1941, Ambassador Nomura said that Prime Minister Konoye was so confident concerning the reaching of an agreement on the point regarding the evacuation of Japanese troops from China, that he was prepared to attend a meeting with President Roosevelt. However, Secretary Hull, referring to Japan's proposal of June 24, 1941, felt that certain other points needed clarification.<sup>309</sup>

Foreign Minister Toyoda had informed Ambassador Nomura on July 23, 1941 that he had not been in office long enough to decide upon a definite policy regarding the evacuation of troops from China. Because the occupation of French Indo-China had been decided upon before Admiral Toyoda had assumed his position as the new Foreign Minister, there was no way of preventing it. However, motivated by the desire to defend French Indo-China, the Japanese government had carried out this action peacefully, and in order to decrease the existing friction between Japan and the United States as a result of this aggression, Foreign Minister Toyoda had asked Ambassador Nomura to explain to the United States the reasons for this occupation. He was to point out that any pressure exerted by the United States would unduly excite the Japanese public and would only serve to intensify the critical situation.<sup>310</sup> Since negotiations had ceased about this time and had not been reopened until the recent message had been sent, Ambassador Nomura had found it impossible to carry out his instructions of July 15, 1941.

Ambassador Nomura believed that Secretary Hull's concern for the Japanese proposal of June 24, 1941 stemmed from his numerous conferences with Ambassador Nomura in which he had discussed the principal points contained therein in accordance with Foreign Minister Toyoda's instructions of May 11, 1941. Therefore, Ambassador Nomura believed that the United States would prefer that the terms of any preliminary agreement be formulated along the general lines contained in that proposal. Furthermore, Ambassador Nomura advised that in the event that these preliminary discussions take place, Secretary Hull insisted that they be held in Washington.<sup>311</sup>

Because of the attitude expressed by the United States, it seemed doubtful that an understanding could result merely from the Japanese proposal of September 4, 1941. In any event, Ambassador Nomura was convinced that the primary task of the Japanese government was to find terms acceptable to both countries in regard to the three points at issue, particularly to the matter of garrisoning Japanese troops in Chinese territory.

From a secret source of information, Ambassador Nomura learned that President Roosevelt was seriously considering a meeting with Prime Minister Konoye if proper arrangements could be made. In fact, the atmosphere of the recent American Cabinet meeting had been one of anticipation concerning the proposed Japanese-United States conference.<sup>312</sup>

<sup>307</sup> *Ibid.*

<sup>308</sup> *S.D.*, II, 629, f.n. 12.

<sup>309</sup> III, 181.

<sup>310</sup> III, 9.

<sup>311</sup> III, 181.

<sup>312</sup> III, 182.

## **75. Secretary Hull Is Cautious Concerning Proposed Conference**

In spite of his report concerning the optimistic attitude of President Roosevelt, on September 17, 1941 Ambassador Nomura commented on the extreme caution observed by Secretary Hull when speaking of the Japanese-American conference.

Mr. Nishiyama, the Japanese Financial Attaché in Washington, had learned that Secretary Hull considered that President Roosevelt had gone too far during his discussions with Ambassador Nomura.<sup>313</sup>

Secretary Hull's pessimism regarding the recent progress made in Japanese-American negotiations was based on the conflicting opinions observed within the Japanese government itself.<sup>314</sup>

## **76. Japanese Observers in United States Responsible For Publicity Leaks**

In view of Secretary Hull's cautious attitude Ambassador Nomura recognized the need for observing even closer secrecy with regard to the informal conversations. Because previous breaches of security had resulted chiefly from interviews given to American newspapers by Japanese observers, sent to the United States from Tokyo, Ambassador Nomura requested on September 18, 1941 that Japan discontinue sending officials in this capacity.<sup>315</sup>

Ambassador Nomura reminded Foreign Minister Toyoda of the dangerous effect Mr. Kasai's articles had had on the negotiations. Although Mr. Kasai had curtailed his activities greatly after receiving a reprimand, in a recent public statement he had agreed with certain arguments presented by Senator Wheeler and Colonel Lindbergh. In addition, the activities of Mr. Shinohara had brought criticism upon the Japanese government. Ambassador Nomura urged therefore, that Tokyo prevent a recurrence of these publicity leaks.<sup>316</sup>

## **77. French Ambassador Demands Withdrawal of Japanese Troops**

On September 20, 1941 Foreign Minister Toyoda reported that according to a short wave broadcast from San Francisco on the previous day, the French Ambassador to the United States had demanded that Secretary Hull force Japan to withdraw its troops from French Indo-China. If the Japanese authorities were able to verify this report, Foreign Minister Toyoda instructed them to file a strong protest with the United States.<sup>317</sup>

## **78. Hull-Nomura Conversation (September 19, 1941)**

### **(a) State Department's Report<sup>318</sup>**

Although he had received no reports from his government other than an explanatory statement regarding the Japanese proposals presented by Foreign Minister Toyoda to Ambassador Grew on September 13, 1941.<sup>319</sup> Ambassador Nomura called on Secretary Hull to discuss existing problems. Secretary Hull declared that he had received Mr. Grew's report and had also been notified that the Japanese government planned to communicate to the United States the specific peace terms which Tokyo would extend to China. Since Ambassador Nomura had not yet received any instructions concerning these peace terms, the conversation turned to the explanatory statement issued by Foreign Minister Toyoda.

<sup>313</sup> *Ibid.*

<sup>314</sup> III, 183.

<sup>315</sup> III, 184.

<sup>316</sup> *Ibid.*

<sup>317</sup> III, 185.

<sup>318</sup> "Memorandum of a conversation", September 19, 1941, initialed by Mr. Joseph W. Ballantine, S.D., II, 629-631.

<sup>319</sup> S.D., II, 623-624; III, 175-176.

In the opinion of Secretary Hull, this statement did not materially clarify any of the points at issue, and, therefore, the United States government still felt that the Japanese proposals of September 6, 1941 narrowed the original program for peace in the Pacific. When asked by Ambassador Nomura if the withdrawal of Japanese troops from China remained the principal difficulty, Secretary Hull replied that the problem of maintaining any agreement formulated on a broad basis covering the entire Pacific area was, at this time, the main reason for divergencies of view.

With reference to the relations of Japan and the United States toward the European war, Secretary Hull declared that the United States had not as yet expressed any views on the formula contained in the Japanese proposals regarding this matter. Assuring Ambassador Nomura that America was desirous of concluding arrangements for a peaceful agreement as soon as possible and was awaiting a Japanese reply, Secretary Hull stated that, meanwhile, his government was continuing to study the proposals.

Ambassador Nomura emphasized that any agreement between Japan and the United States must remain bilateral in nature. Although desirous of conferring with other governments in order to supplement negotiations with Japan, Secretary Hull asserted that the United States had no intention of drawing other countries into the formal agreement with Japan.

In answer to Secretary Hull's inquiry, Ambassador Nomura expressed no apprehension concerning developments that might arise in Japan on September 27, 1941, the anniversary of the conclusion of the Tripartite Pact. Although the Japanese army was influential and many of its members were German-trained, according to Ambassador Nomura, only a very small percentage of the Japanese population would desire to enter war as an ally of Germany.<sup>320</sup>

#### (b) *Ambassador Nomura's Report*

Ambassador Nomura reported that for the first time in nine days he had called on Secretary Hull to inquire about the American attitude toward the Japanese proposals submitted on September 4, 1941.<sup>321</sup> Secretary Hull began the conversation by stating that he had received a message from Ambassador Grew indicating that the Japanese government was planning to submit a proposal which would be acceptable to the United States. In view of this information, Secretary Hull had expected that Ambassador Nomura would deliver that message at this conference.

Replying to Ambassador Nomura's question regarding the Japanese proposal, Secretary Hull remarked that a decision on the proposed conference between the leaders of the two governments had not yet been reached.<sup>322</sup> Insofar as an early consummation of the present negotiations was desired, Secretary Hull emphasized that he had no intention of deliberately prolonging the conversations. However, Ambassador Nomura believed that this remark was made merely for the sake of courtesy.

Opposed to a policy which was partly peaceful and partly warlike, Secretary Hull insisted that only by the adoption of completely peaceful policies could Japan hope for greater progress and development in the Orient. While it was essential that Japan remain strong, it was also essential that Japan not follow a policy of military aggression. If a forceful, yet peaceful policy were adopted, Secretary Hull firmly believed that the Japanese-American question could be settled overnight. Apparently, having received reports of celebrations scheduled to be held in connection with the first anniversary of the Tripartite Pact, Secretary Hull expressed the belief that there were more people in Japan who wanted peace than those who, together with Germany, desired war on the United States.<sup>323</sup>

<sup>320</sup> S.D., II, 623-624.

<sup>321</sup> III, 186.

<sup>322</sup> *Ibid.*

<sup>323</sup> III, 187.

Ambassador Nomura explained Japan's fear that the United States' action in consulting with the Netherlands, China and other nations on the proposed conference might be interpreted as a revival of the nine-power treaty policies. Although Secretary Hull explained the necessity of keeping in touch with any country whose interests in the Pacific would be affected by an agreement with Japan, he agreed that the conversations should be limited to Japan and the United States. Because of this answer, Ambassador Nomura pointed out in his message to Tokyo that the views he had expressed in other dispatches were accurate.<sup>324</sup>

From a recent conversation the Japanese Ambassador had gathered that the United States did not intend to resort to appeasing Japan. He advised Tokyo that the United States was suspicious of Japan because it was certain that Japan would resort to force while appeasing the United States.

Because of Secretary Hull's attitude, Ambassador Nomura notified his government on September 20, 1941 that he had withheld communicating certain messages to the American Secretary of State, since at this point the conclusion of amicable relations depended not on words but actions.<sup>325</sup>

## 79. Foreign Minister Toyoda Grows Impatient

Dissatisfied with the lack of progress in these informal conversations and impatient at the United States' delay in answering Japan's proposal for a conference between the leaders of the two countries, Foreign Minister Toyoda instructed Ambassador Nomura on September 20, 1941 to urge American officials to make a definite reply since he believed that all the questions of the United States had been satisfactorily answered during his conversation with Ambassador Grew on September 13, 1941.<sup>326</sup>

Since plans were now underway for the celebration of the first anniversary of the Tripartite Pact on September 27, 1941, the Japanese Foreign Minister foresaw a need for the completion of a definite agreement with America before that date. However, he urged the Japanese Ambassador not to give the impression that Japan was in a hurry about the matter.<sup>327</sup>

Two days later, though Ambassador Grew had informed his government that a new Japanese proposal acceptable to the United States would be forthcoming in the near future,<sup>328</sup> Foreign Minister Toyoda advised Ambassador Nomura on September 22, 1941 that he had no knowledge of any further concessions to be extended by the Japanese government.

When last conferring with Ambassador Grew, ten days before, the Japanese Foreign Minister had answered all questions put to him by United States' officials. But now he made it clear that Japan had explained its policies fully, and had made all possible concessions. Since both Ambassador Grew and Counselor Dooman understood his meaning, Foreign Minister Toyoda did not understand why the American Ambassador should notify the United States' government that Japan was ready to submit a new proposal.

Foreign Minister Toyoda declared that he intended to inquire about this matter when he met Ambassador Grew in three or four days. Depending upon the circumstances, Foreign Minister Toyoda was then going to submit to Ambassador Grew the Japanese terms for peace with China. However, these terms would not be new, but would serve merely as an explanation of what Japan had already made known.<sup>329</sup>

<sup>324</sup> III, 188.

<sup>325</sup> *Ibid.*

<sup>326</sup> III, 189.

<sup>327</sup> *Ibid.*

<sup>328</sup> Secretary Hull mentions this proposal in his conversation with Ambassador Nomura, September 19, 1941, See S.D., II, 629-631.

<sup>329</sup> III, 190.

## 80. Grew-Toyoda Conversation (September 22, 1941)

### (a) Ambassador Grew's Report

When Ambassador Grew called on Foreign Minister Toyoda at the latter's request on the afternoon of September 22, 1941, he listened to an oral statement which further clarified Japan's stand in relation to the United States. In referring to the proposed meeting between Prince Konoye and President Roosevelt, Foreign Minister Toyoda stated that his government had intended that the divergent policies of the two countries should be discussed at the conference, with the details for executing an understanding to be subsequently accomplished through normal diplomatic channels. Contrary to this view, the United States desired that an agreement on policy should be reached during informal conversations held prior to the proposed conference.

In Foreign Minister Toyoda's opinion, the attitude of his government regarding the steps it would take to ensure peace in the Pacific had been broadened by the Japanese proposals issued to Ambassador Grew on September 4, 1941. Furthermore, since Japan was now ready to issue the basic terms of peace which would be offered to China, the good offices of President Roosevelt were still earnestly desired in the settlement of the China Incident.

Foreign Minister Toyoda then presented Ambassador Grew with a copy of the basic Japanese terms of peace with China.<sup>331</sup> They promised the maintenance of neighborly friendship and respect for the sovereignty and territorial integrity of China. Furthermore, Japan proposed that cooperative defense measures be established by the two countries in order to keep communistic and other subversive activities under control. Therefore, throughout certain Chinese areas, Japanese troops and naval forces would be stationed in accordance with the existing agreements and usages. With the exception of these troops, other Japanese armed forces would be withdrawn from China.

With the development and utilization of material essential to Chinese national defense as its primary object, economic cooperation between the two countries was to be maintained. Nevertheless, the interests of third powers in China were not to be impaired in any way.

In conclusion the Japanese peace terms contained the following provisions: a fusion of the Chiang Kai-shek regime with that of Wang Ching-wei, the recognition of Manchukuo by the Chinese, and a guarantee that no further annexations would be made and no indemnities would be imposed.<sup>332</sup>

Foreign Minister Toyoda stated that although the Japanese government had attempted to maintain secrecy concerning the present problems under discussion, the publicity previously attending the informal conferences, as well as the rumors that had been spread concerning the projected meeting between the two governments, had stimulated the activities of anti-American elements in Japan. Since Japan was attempting to prevent the occurrence of any demonstrations on September 27, 1941, the first anniversary of the signing of the Tripartite Pact, the United States should appreciate Japan's difficulty in controlling factions opposed to an understanding with America due to the delay in achieving any appreciable understanding between the two countries.

After the Japanese Foreign Minister pointed out that Tokyo was still awaiting America's answer to the proposals presented to Secretary Hull on September 6, 1941, Ambassador Grew reported that he had received word from Washington concerning the progress of negotiations,

<sup>330</sup> "Memorandum by the Ambassador in Japan (Grew)", September 22, 1941, S.D., II, 631-633.

<sup>331</sup> *Ibid.*

<sup>332</sup> "The Japanese Minister for Foreign Affairs (Toyoda) to the American Ambassador in Japan (Grew)", September 22, 1941, S.D., II, 633. For English text sent by Foreign Minister Toyoda to Ambassador Nomura on September 22, 1941 see III, 191-192.

which indicated the United States' desire to hasten matters. Foreign Minister Toyoda again stressed the necessity of eliminating any further delay. When Ambassador Grew indicated that Ambassador Nomura was apparently unconcerned in regard to the danger of a pro-Axis demonstration in Japan on September 27, 1941, Foreign Minister Toyoda explained that Ambassador Nomura was not cognizant enough of the situation in Japan to realize the existing dangers.

At this point Ambassador Grew requested a clarification of the phrase in the peace terms "existing agreements and usages". The Japanese Foreign Minister replied that the phrase must be understood as written, but mentioned the presence of American marines in China as an illustration of its meaning. Although promising to communicate these peace terms to Secretary Hull immediately, Ambassador Grew held out little hope that America would reach a decision on it before September 27, 1941.<sup>333</sup>

(b) *Foreign Minister Toyoda's Report*

Foreign Minister Toyoda reported that at 4:00 P.M. on September 22, 1941, he had asked Ambassador Grew to visit him in order to discuss further the arrangements for a conference between the leaders of Japan and the United States. During the interview the Japanese Foreign Minister gave Ambassador Grew a copy of the basic Japanese terms of peace with China.

Pointing out that the message to President Roosevelt concerning the conversations to be carried on between him and Prince Konoye, as well as the general principles to be discussed, needed no further clarification, Foreign Minister Toyoda declared that it had been agreed that all minor details would be entrusted to diplomatic officials. Though the United States desired to come to an agreement on various points at once, the Japanese government had satisfactorily answered all American inquiries concerning its sincerity and attitude and, therefore, could do nothing more but await a reply from the United States.<sup>334</sup>

By establishing its attitude toward the negotiations on a broad scope, the Japanese government had, in its proposals, embraced all the existing problems. During a conversation on September 10, 1941 Ambassador Grew had submitted a question concerning mediation between Japan and China. Foreign Minister Toyoda had delivered to him the confidential terms of a fundamental peace between Japan and China, pointing out that they were not new proposals but merely clarification of the proposals submitted to America on September 4, 1941. Since the situation had grown more critical during the past month, the Japanese Foreign Minister urged Ambassador Nomura to impress the authorities of the United States with the necessity of reaching a successful agreement without further delay.<sup>335</sup>

According to Mr. Toyoda, from the time that the American newspapers had begun to editorialize on the Japanese-American negotiations, these negotiations had become a major topic of conversation throughout the entire world. Within four or five days, the first anniversary of the Tripartite Pact would be celebrated. In spite of the fact that the Japanese government desired that the day's activities be conducted in a calm manner, the Japanese Foreign Minister was well aware that an anti-American group within the country would take the opportunity to threaten Japanese-American relations by provoking incidents. Since it was obvious that Japan's internal situation was extremely critical, Foreign Minister Toyoda directed Ambassador Nomura to inform Secretary Hull immediately of the details of his conversation with Ambassador Grew and to request a prompt reply.<sup>336</sup>

<sup>333</sup>"Memorandum by the Ambassador in Japan (Grew)", September 22, 1941, S.D., II, 631-633.

<sup>334</sup>III, 193.

<sup>335</sup>III, 194.

<sup>336</sup>III, 195.

### 81. Ambassador Nomura Forwards a Japanese Report on America's Attitude Toward War

In summarizing a Japanese report on the American attitude toward war in both the Atlantic and the Pacific, Ambassador Nomura, in a message to Tokyo on September 22, 1941,<sup>337</sup> discussed the desire of the United States to adopt any plan which would bring about the ultimate destruction of Germany. In order to prevent Soviet Russia from making a separate peace, England and the United States had rendered all possible assistance, hoping to maintain Russia's fighting strength for an offensive in the spring provided its troops survived the winter months. By contributing millions of dollars for equipment, the United States also hoped to strengthen Britain's will to continue the fight.

Because the strength of the American Navy was increasing constantly, the submarine menace in the Atlantic did not cause as much alarm as formerly, although the United States recognized that utter annihilation of the submarine was impossible.<sup>338</sup> According to the Japanese report, the American attitude toward war as a general rule was extremely casual. If war with Japan did develop the American public would accept it as inevitable.

Because of their economic superiority over Japan, the American people believed that it would be a naval war primarily, and that the United States would be victorious after a very short struggle. Only a few were fully aware of the dangers involved in war with Japan. There still remained those who argued against reaching a peace at the expense of China.<sup>339</sup>

According to an article written in the *New York Times*, attempts to ameliorate the situation existing between Japan and the United States were dead-locked because Japan's continued occupation of China was against the fundamental principles laid down by the United States. For this reason, Prime Minister Konoye had requested a personal conference with President Roosevelt.<sup>340</sup>

Public opinion in the United States held that in view of Germany's war aims a non-aggressive American policy would result only in failure. Believing that Italy would withdraw from the war, that occupied nations would rise and, finally, that the endurance of the German people themselves would fail, Americans continued to believe that participation in a war would not be fatal. If they went to war with Japan, the American people felt that naval participation alone was sufficient, and that no expeditionary forces would be dispatched on a large scale.

Nevertheless, certain preparations were being undertaken by military authorities. In Congress, where the majority backed the government's foreign policy, a sharp decline in the strength of the isolationist group was noted.<sup>341</sup>

President Roosevelt had given consideration to the possibility that in case Soviet Russia fell, a Japanese aggression would cause a simultaneous clash in both the Atlantic and Pacific. However, the greater portion of the American Navy still remained in the Pacific.

With regard to Japanese peace terms, it was rumored that Japan was demanding treaty ports in four southern provinces of China. Although the United States did not wish to sacrifice China to Japan, if Japan gave up forceful aggression, the United States would not only restore trade relations with Japan but would even render economic assistance. Ambassador Nomura expressed his opinion of this report by stating that the observer "had hit the nail on the head".<sup>342</sup>

<sup>337</sup> III, 196.

<sup>338</sup> *Ibid.*

<sup>339</sup> III, 197.

<sup>340</sup> *Ibid.*

<sup>341</sup> III, 198.

<sup>342</sup> III, 199.

## 82. Japan Explains Its Retaining of Troops in China

At Mr. Terasaki's request, Mr. Dooman, Counselor to the American Embassy in Japan, called on the Japanese Foreign Office.<sup>343</sup> A statement, supplementing those made to Ambassador Grew by Foreign Minister Toyoda on the previous day and outlining Japan's reasons for retaining troops in China, had been prepared for communication to Ambassador Grew and for subsequent transmission to the United States government.<sup>344</sup>

In this document the Japanese government stated that in order to aid in the construction of a peaceful China and to ensure the security and defense of Japan itself, it recognized the necessity of stationing Japanese armed forces in certain areas of China. Because the uncertainty of internal stability in China had always proved a source of danger, Japan feared that intrigue, instigated by external sources, might follow the conclusion of the war between these two countries. The activities of the Communistic elements had already been detrimental to the maintenance of peace, and Japan felt that if such conditions were to recur any promotion of China's national life or welfare would be greatly impeded.<sup>345</sup>

From the economic standpoint alone, it was obvious that the activities of any neighboring territories would effect Japan's existence. Moreover, in view of the warlike attitude prevalent throughout the world, the defense of Japan could be endangered by any sudden unfavorable situation in China. Although Japan was prepared to withdraw armed forces wherever their presence was no longer required, it was imperative that a nucleus of Japanese troops be retained in certain areas of China. Any proposal to maintain peace by the stationing of international armed forces was unacceptable because of public opinion in China and because of the direct influence the internal condition of China had upon Japan.<sup>346</sup>

## 83. Hull-Nomura Conversation (September 23, 1941)

### (a) *State Department's Report*<sup>347</sup>

Upon his own request, Ambassador Nomura called at Secretary Hull's apartment on September 23, 1941. Handing Secretary Hull a copy of the "Basic Terms of Peace between Japan and China"<sup>348</sup> and also a document entitled "A Reply to the American Communication of September 10, 1941",<sup>349</sup> Ambassador Nomura announced that these documents contained a full explanation of Japan's attitude regarding the disputable points in its recent proposals.

Ambassador Nomura said that any further clarification of the Tripartite Pact's effect upon Japan might best be left for discussion at the proposed meeting between the government heads.

Another document delivered to Secretary Hull by Ambassador Nomura on September 23, 1941 defined the phrase "equitable basis" to mean economic activities which were neither monopolistic, exclusive nor exploitative in nature, but which were based on the policy of non-discrimination insofar as natural limitations permitted. Japan did not intend to be the sole

<sup>343</sup>"Memorandum by the Counselor of Embassy in Japan (Dooman)", September 23, 1941, *S.D.*, II, 634.

<sup>344</sup>*Ibid.*

<sup>345</sup>"Oral statement made to the Counselor of the American Embassy in Japan (Dooman) by the Director of the American Bureau of the Japanese Foreign Office (Terasaki)", September 23, 1941, *S.D.*, II, 640-641. Foreign Minister Toyoda sent Mr. Koshu a copy of this document on September 23, 1941 with instructions to deliver it to Secretary Hull. See III, 200.

<sup>346</sup>*Ibid.*

<sup>347</sup>"Memorandum of a conversation", September 23, 1941, initialed by Mr. Joseph W. Ballantine, *S.D.*, II, 634-635.

<sup>348</sup>This document was handed to Ambassador Grew by Foreign Minister Matsuoka on September 22, 1941, *S.D.*, II, 633. For the English text sent to Ambassador Nomura on September 22, 1941, see III, 191-192.

<sup>349</sup>This document was a copy of the one handed to Ambassador Grew by Foreign Minister Toyoda on September 13, 1941, (see *S.D.*, II, 623-624), and wired to Ambassador Nomura on September 13, 1941, see III, 175-176. Ambassador Nomura referred to it in his conversation with Secretary Hull on September 9, 1941, see *S.D.*, II, 629-631 and III, 186-188.

interpreter of this term. This document was not mentioned in the State Department's report of this conversation, but its text has been printed in the official documents and Ambassador Nomura referred to it in his report of this interview.<sup>350</sup>

After promising to study these papers as expeditiously as possible, Secretary Hull inquired concerning Ambassador Nomura's impressions regarding the present situation. Stating that he appreciated the position of the United States, Ambassador Nomura pointed to the domestic difficulties in Japan. If the meeting between President Roosevelt and Prime Minister Konoye could be effected, Ambassador Nomura was certain that the psychological reaction in Japan would be extremely favorable to the re-establishment of friendly relations with America.

After referring to a previous American suggestion that the Japanese government assert control over public opinion and in this way attain support for the liberal program to be adopted by Japan and the United States, Secretary Hull asked if Ambassador Nomura believed that a conference between the heads of the two governments would actually be more effective. According to Ambassador Nomura efforts had already been made to influence Japanese public opinion, and favorable results had been achieved. Nevertheless, a meeting between the leaders of the two governments would provide not only support for those elements desiring peaceful negotiations with the United States, but it would also counteract the pro-Axis factions in Japan.

Secretary Hull then reiterated his belief that both Japan and the United States would gain more from peaceful collaboration than by forceful opposition to one another's policies. Pointing to Germany as an example of the difficulties resulting from excessive expenditures for armaments, Secretary Hull remarked that no country could benefit from the staggering cost of an attempted world conquest. Ambassador Nomura agreed fully with his views.<sup>351</sup>

#### (b) *Ambassador Nomura's Report*

Ambassador Nomura advised Tokyo on September 23, 1941 that in order to communicate Foreign Minister Toyoda's interpretation of various paragraphs and phrases in the Japanese proposals which had been questioned by the United States, and at the same time to deliver a copy of the Japanese definition of "equitable basis", he had called on the Secretary of State on September 23, 1941.<sup>352</sup>

On presenting the outline of Japan's terms of peace with China, the Japanese Ambassador had pointed out that these latest documents, coupled with previous statements made by the Japanese government, had completely explained all Japanese policies. Therefore, no further explanation would be made to either Secretary Hull in Washington, or Ambassador Grew in Tokyo, and all matters pertaining to the Tripartite Pact would be left for the meeting between the leaders of both countries except those points which had already been discussed at preliminary conferences. Ambassador Nomura stated that these latest Japanese proposals were intended to enlarge rather than narrow the scope of the original American proposals.<sup>353</sup>

Because of certain Axis elements, domestic problems in Japan had become increasingly critical. Therefore, the Japanese government sincerely desired that a decision be reached

<sup>350</sup> "Document handed by the Japanese Ambassador (Nomura) to the Secretary of State", September 23, 1941, *S.D.*, II, 636. This term was interpreted during Foreign Minister Toyoda's conversation with Ambassador Grew on September 13, 1941, see *S.D.*, II, 622. It was sent to Ambassador Nomura on September 13, 1941, see III, 177-178.

<sup>351</sup> "Memorandum of a conversation", September 23, 1941, initialed by Mr. Joseph W. Ballantine, *S.D.*, II, 634-635.

<sup>352</sup> III, 201.

<sup>353</sup> *Ibid.*

regarding the "leaders conference" before the first anniversary of the Tripartite Pact was celebrated in Japan on September 27, 1941.<sup>354</sup>

Assuring Ambassador Nomura that he was devoting every effort to the materialization of the leaders conference, Secretary Hull stated that it was desirable, however, that the Japanese government first influence Japanese public opinion to adopt an attitude more favorable to the United States. Ambassador Nomura replied that Japan had been able to improve conditions in this regard.

In Ambassador Nomura's personal opinion, conformity with the Tripartite Pact and improvement of American-Japanese relations could be handled along parallel lines by the Japanese government, and a meeting of the leaders would strengthen peace in the Pacific.<sup>355</sup> At this point Secretary Hull informed Ambassador Nomura that he had received Ambassador Grew's report of the conference with Foreign Minister Toyoda on September 22, 1941.<sup>356</sup> Since the points discussed in this conference were now under careful consideration, Secretary Hull hoped to be able to reply in the near future. Ambassador Nomura then attempted to have Secretary Hull express a favorable opinion toward the materialization of the "leaders conference", but the Secretary of State refused to make a definite commitment.

In view of the existing international situation, however, Secretary Hull believed that now was the time for the United States and Japan to work toward the reconstruction of a peaceful world. But although Japan and the United States were ideally situated to lead world affairs, Secretary Hull doubted if the caliber of the statesmanship of both countries was capable of undertaking such a vast problem.

Firmly convinced that the meeting between the two leaders would immeasurably strengthen both governments' stand in the Pacific and would aid world peace, Ambassador Nomura once more urged that Secretary Hull work toward this goal.<sup>357</sup>

#### 84. Ambassador Nomura Asks Tokyo To Clarify Its Proposals

After holding a telephone conversation with Foreign Minister Toyoda on September 24, 1941, Ambassador Nomura requested in a dispatch to the Japanese Foreign Minister on September 24, 1941 that certain points discussed be further clarified.<sup>358</sup> In accordance with instructions from his government, Ambassador Nomura had informed Secretary Hull in a conference on September 23, 1941 that the Japanese government had nothing more to say in regard to the various proposals it had extended to the United States. At present, Ambassador Nomura was marking time while waiting for a reply from Secretary Hull.<sup>359</sup>

In acknowledging receipt of a message from Tokyo on the preceding day, Ambassador Nomura stated that he did not fully understand the reasons offered by Foreign Minister Toyoda in explanation of the necessity for retaining Japanese troops in specified areas of China. The Japanese Ambassador feared that the United States would interpret the statement as a plan to station Japanese troops anywhere at all throughout the length and breadth of China. Anxious to carry out fully the Japanese government's instructions, Ambassador Nomura asked that a written explanation of the proposed peace plans, mentioned by the Japanese Foreign Minister in his telephone conversation, be forwarded to him immediately.<sup>360</sup>

<sup>354</sup>III, 195.

<sup>355</sup>III, 201

<sup>356</sup>"Memorandum by the Ambassador in Japan (Grew)", September 22, 1941, S.D., II, 631-633.

<sup>357</sup>III, 201.

<sup>358</sup>III, 202.

<sup>359</sup>*Ibid.*

<sup>360</sup>III, 203.

### 85. Japanese Spies Disclose American Attitude Toward Japan

While Japan waited for the United States' answer to its proposals, their espionage agents attempted to determine the American attitude toward the present negotiations. Mr. Morishima, head of Japanese espionage activities in the United States, sent a special report to Tokyo on September 26, 1941.<sup>361</sup>

Mr. Morishima stated that because Prime Minister Konoye had initiated negotiations with the United States, and had taken a temperate stand with regard to the navigation of American tankers, Washington officials concluded that Japan was in a desperate condition. Consequently, at the time of Prince Konoye's return to power, Washington believed that an understanding with Japan could be reached.<sup>362</sup>

The delay in reaching the understanding, however, had been occasioned by the constantly growing suspicion that the present Japanese policy of appeasement was motivated by the desire to gain time, while Germany won a decisive victory in Russia. Gradually, the American officials had begun to feel that no agreement should be reached at the expense of China.

Though desiring to effect a satisfactory compromise with Japan, the United States believed that any agreement concerning Japanese problems also involved England, Soviet Russia, and the Far East. As far as the European war was concerned, America had decided to maintain its present position of strengthening Allied resistance, since an Axis victory would gravely imperil American national defense. In case Germany should win on the Russian front, the United States felt the necessity of eliminating the threat which Japan constituted in the Pacific.<sup>363</sup>

Mr. Morishima declared that America would first try to ensure that Japan would refrain from further invasion before amending its relations with the government at Tokyo. If Japan revised its intention to seize territory an understanding would be possible immediately, but no temporary agreement would be considered, merely for expediency's sake. Despite all negotiations, the United States planned to send a military mission to China and to continue furnishing lend-lease material to China until definite assurance was given that Japan would cease Far Eastern aggression.<sup>364</sup>

According to Mr. Morishima's information, it seemed evident that the United States would carry through its vast plans for the reconstruction and cultivation of China in spite of any agreement concluded with Japan. Since America's expressed desires did not coincide with Japan's national policy, a strong faction in Japan disapproved of the present attempts for establishing amity between the two countries. Similarly, in the United States, an anti-Japanese wing, encouraged by Chungking, spread propaganda to the effect that a Japanese-American rapprochement would involve the sacrifice of China.<sup>365</sup>

By maintaining close contact with the American society called *The Friends of China*, the Chungking government was opposing a Japanese-American rapprochement. Furthermore, *The American Committee for Non-Participation in Japanese Aggression* had initiated a campaign for economic pressure against Japan, and was opposing the efforts of both President Roosevelt and Secretary Hull to settle these problems peacefully.<sup>366</sup>

<sup>361</sup> III, 204.

<sup>362</sup> *Ibid.*

<sup>363</sup> III, 205.

<sup>364</sup> III, 206.

<sup>365</sup> III, 207.

<sup>366</sup> III, 208.

## **86. Foreign Minister Toyoda Urges Increased Diplomatic Efficiency**

During the period of diplomatic crisis, Foreign Minister Toyoda believed that only exceptional statesmanship on the part of Foreign Office officials would enable the Japanese government to obtain its desired objectives. Therefore, while the frank expression of opinions from Japanese officials abroad were still welcomed, Foreign Minister Toyoda urged that no action be taken which might impair the solidarity of Foreign Office personnel or interfere with the execution of Japanese Foreign Office policy. In a message on September 26, 1941, Foreign Minister Toyoda asked that all Japanese Ambassadors inspire the members of these offices to achieve a maximum diplomatic efficiency.<sup>367</sup>

## **87. Foreign Minister Toyoda Forbids Textual Changes By Ambassador Nomura**

Although realizing the difficulties currently experienced by Ambassador Nomura in the execution of his duties and appreciating fully that Ambassador Nomura had views divergent from his own, Foreign Minister Toyoda, nevertheless, requested on September 26, 1941, that no changes be made in any Japanese communications without first asking permission from the Foreign Office in Tokyo.<sup>368</sup> The Japanese Foreign Minister had previously notified Ambassador Nomura that the texts of the messages from Tokyo were composed only after careful deliberation by the various Japanese ministries involved.<sup>369</sup>

Turning next to the basic terms of peace between Japan and China which had been recently sent from Tokyo, Foreign Minister Toyoda asked whether Ambassador Nomura had found an opportunity to present them to Secretary Hull. Referring to the recent conversation held between President Roosevelt and Ambassador Nomura, the Japanese Foreign Minister asked whether President Roosevelt had mentioned a promise made by Japan that there would be no further increase of troops stationed in French Indo-China in order to ensure the success of Japanese-American negotiations.

Foreign Minister Toyoda believed that the American President had referred to this promise when "with smiling cynicism" he had stated that Japan might occupy Thailand while Prime Minister Konoye and President Roosevelt were holding their peace conference, just as Japanese troops had marched into French Indo-China while Ambassador Nomura and Secretary Hull had conducted informal peace negotiations.

Because of the hostile attitude of Germany toward the proposed understanding between Japan and the United States, and the increasing international tension, Foreign Minister Toyoda requested that Ambassador Nomura interview the American officials to ascertain their views on all problems involved in the negotiations.<sup>370</sup>

## **88. Ambassador Nomura Answers Foreign Minister Toyoda's Message**

Replying to Foreign Minister Toyoda on the same day, September 26, 1941, Ambassador Nomura stated that he had already communicated his government's basic terms for peace between Japan and China to the American authorities. In referring to Foreign Minister Toyoda's questions regarding President Roosevelt's statement, Ambassador Nomura insisted that the American President had made no mention of any Japanese promise to avoid stationing troops in French Indo-China, nor had he inquired concerning the number of troops already stationed there.

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<sup>367</sup> III, 209.

<sup>368</sup> III, 210.

<sup>369</sup> *Ibid.*

<sup>370</sup> *Ibid.*

In the conversation that was to take place between Secretary Hull and Ambassador Nomura later in the day, the Japanese Ambassador promised to convey Foreign Minister Toyoda's reasons for maintaining troops in a certain specified area of China, and also to hand Secretary Hull the text of the proposed agreement between Japan and the United States.

Ambassador Nomura also assured Foreign Minister Toyoda that he neither added nor subtracted from the messages or instructions sent to him by his government. However, the English text of messages sent from Tokyo often differed from the original Japanese text and in view of this, Ambassador Nomura suggested that Foreign Minister Toyoda check the English translations more thoroughly before sending them.<sup>371</sup>

#### 89. Ambassador Nomura Sends Japanese Proposals to Secretary Hull (September 27, 1941)

Under his government's instructions, on September 27, 1941 Ambassador Nomura sent Mr. Matsudaira to give Secretary Hull a copy of the Japanese proposals which had been delivered to Ambassador Grew on September 25, 1941.<sup>372</sup>

In Ambassador Nomura's covering note which was attached to the proposals, he stated that when handing to Ambassador Grew the original set of proposals, Mr. Terasaki had declared that the Japanese government was awaiting a reply from the United States regarding the projected meeting between the two government heads. In order to bring about this conference Japan had formulated a statement along the lines of the American Draft Understanding of June 21, 1941, incorporating all the proposals since communicated to the American government. Prepared solely for the convenience of the United States, these new proposals were not to be interpreted as an inflexible Japanese treaty.<sup>373</sup>

#### 90. Ambassador Nomura Reports Discrepancy in Copies of Japanese Peace Terms

Ambassador Nomura advised Tokyo on September 27, 1941, a few days after delivering a copy of the Japanese government's terms for peace with China to Secretary Hull, that he had been notified by the State Department of certain discrepancies between the proposal handed to Ambassador Grew in Tokyo and that which he had given to the Secretary of State.<sup>374</sup> Mr. Ballantine of the State Department had pointed out that though the Japanese peace terms relayed from Ambassador Grew in Tokyo contained nine articles, the outline received from Ambassador Nomura contained only the first five articles. Since Ambassador Nomura had explained that there was always the possibility of errors in transmission, he requested in his report that Tokyo check the message in question and advise him of its findings.<sup>375</sup>

In reading Ambassador Nomura's report, it should be noted that despite Ambassador Nomura's seemingly honest bewilderment concerning this matter and his request to have Tokyo check on the transmission of the message, a copy of the original Japanese dispatch, sent by Tokyo on September 22, 1941, and now in American communication intelligence files, contains nine articles. It is not certain, therefore, whether the communication clerks in the Japanese Embassy did not receive the complete text, or whether accidentally or deliberately they did not deliver the complete text to Ambassador Nomura. Another possibility, which apparently does not hold in view of Ambassador Nomura's request for further check by Tokyo, is that the Japanese Ambassador deliberately omitted the last four articles for reasons of his own.

<sup>371</sup> III, 211.

<sup>372</sup> "The Japanese Ambassador (Nomura) to the Secretary of State", September 27, 1941, *S.D.*, II, 636. The Japanese translation of the resume in English of Mr. Terasaki's remarks was sent by Ambassador Nomura to Tokyo on September 25, 1941, III, 212.

<sup>373</sup> "Japan's proposals submitted to the American Ambassador in Japan (Grew)", September 25, 1941, *S.D.*, II, 637-640. For complete text sent by Foreign Minister Toyoda to Ambassador Nomura on September 25, 1941, see III, 213.

<sup>374</sup> III, 214.

<sup>375</sup> *Ibid.*

## 91. Grew-Toyoda Conversation (September 27, 1941)

### (a) Ambassador Grew's Report<sup>376</sup>

Since Foreign Minister Toyoda received Ambassador Grew on September 27, 1941 immediately after attending various functions celebrating the first anniversary of the Tripartite Pact, Ambassador Grew believed that the Japanese Foreign Minister wished to emphasize that Japan was still anxious to establish amicable negotiations with the United States.

In reiterating Japan's desires to consummate the meeting between Prince Konoye and President Roosevelt, Foreign Minister Toyoda inquired if America had set forth its views regarding the Japanese proposal for a meeting of the two government heads. Ambassador Grew replied that the only information received from Secretary Hull had been the report that, during a discussion on September 23, 1941 Ambassador Nomura had handed the Secretary of State certain written material, which Secretary Hull promised to examine as expeditiously as possible in order to make a prompt reply.

The Japanese Foreign Minister then conveyed orally to Ambassador Grew various considerations regarding the position of the Japanese government in connection with the present informal conversations.<sup>377</sup> Pointing to the critical condition into which Europe had fallen as the result of a war which had involved various powers, Foreign Minister Toyoda stated that if the United States and Japan were to relinquish their hold over the key to peace in the Pacific, then world civilization would be imperiled.

Numerous incidents occurring between Japan and the United States had greatly disturbed peaceful relations, but if the conditions between Japan and the United States could be adjusted in a friendly manner, the effects would be felt throughout the world. It was for this reason that Japan was so determined to adjust any differences with the United States.

Upon assuming the post of Foreign Minister two months before, Admiral Toyoda had begun to work unceasingly toward the re-establishment of friendly relations between the two countries, and with the same objective in mind, Prime Minister Konoye had expressed his willingness to confer with President Roosevelt. Misunderstanding had arisen with Germany and Italy as a result of Prince Konoye's desire to meet with President Roosevelt, but Japan was willing to make sacrifices in order to demonstrate clearly its sincerity in desiring not only to adjust Japanese-American problems but also to maintain peace in the Pacific and to re-establish it in other areas of the world.

Moreover, though there was no precedent in Japanese history for a Prime Minister's going abroad to confer with the head of another government, Prince Konoye was motivated at this time by a sincere desire for peace. Nevertheless, Japan would not succumb to American pressure in reaching an understanding. Because of the allegations to the effect that Japan was being forced to its knees by the United States, which had been made in American newspapers, Foreign Minister Toyoda felt it necessary to repeat this fact.

Since Japanese-American relations were exceedingly complicated, it was quite possible that there would be many problems left unsettled at the conclusion of the meeting between the leaders of the two countries. The political effects of such an epochal meeting would greatly influence the settlement of any divergent views existing at present.

If the meeting did not materialize in spite of the fact that both countries were in accord as to its value and if the United States delayed too long in making a reply, it was doubtful whether

<sup>376</sup> "Memorandum by the Ambassador in Japan (Grew)", September 27, 1941, S.D., II, 641-645.

<sup>377</sup> For translation of Japanese text of Foreign Minister Toyoda's Oral Statement sent to Ambassador Nomura on September 27, 1941, see III, 215. A resume in English of this conversation was handed to Secretary Hull by Ambassador Nomura on September 29, 1941, S.D., II, 652-654.

another favorable opportunity would soon occur. Since Japan had already announced the proposals it would make at the meeting by submitting a complete resume to Ambassador Grew on September 25, 1941, in accordance with the lines contained in the American proposal for June 21, 1941, the United States was fully aware of Japan's position.

All details connected with the transporting of Prime Minister Konoye and his party to the meeting place had been arranged, and Japan was in a position to hold the meeting at any time. Only a reply from the United States was necessary to complete the preparations already underway.

Foreign Minister Toyoda pointed out that any further delay would place the Japanese government in an exceedingly difficult position because the first anniversary of the Tripartite Pact might be used by the pro-Axis elements in Japan to vitiate the efforts of the Japanese Cabinet to improve relations with the United States. Since time was of paramount importance, Japan suggested that the meeting be scheduled for some time between October 10 to October 15, 1941. If held any later, the weather in the north Pacific and along the Alaskan coast would be decidedly unfavorable.

In conducting a conference of this type, it was of the utmost importance that both countries respect the other's reliability and sincerity. Foreign Minister Toyoda felt sure that President Roosevelt fully appreciated Prime Minister Konoye's character and motives in this matter. Stating that the entire Japanese Cabinet was behind Prime Minister Konoye's move, including high army and navy officers who would attend the conference in order to dissipate doubt as to their collaboration with Prince Konoye's plans, Foreign Minister Toyoda urged that the opportunity not be lost to adjust Japanese-American relations by a conference between the leaders of both countries.

In conclusion, the Japanese Foreign Minister expressed the hope that none of his statements would be misinterpreted or considered as setting a time limit upon any reply from the American government.<sup>378</sup>

#### (b) *Foreign Minister Toyoda's Report*<sup>379</sup>

Foreign Minister Toyoda advised Ambassador Nomura on September 22, 1941 that after the ceremonies celebrating the first anniversary of the Tripartite Pact on September 27, 1941 had taken place, he had requested Ambassador Grew to call upon him. After talking to the American Ambassador along the lines of his special report to Ambassador Nomura, Foreign Minister Toyoda again strongly urged that Ambassador Grew recommend to the United States that the meeting of the leaders of the two governments take place without further delay.

In view of both internal and external circumstances affecting Japanese policies, it would be impossible to postpone the meeting indefinitely. Foreign Minister Toyoda instructed Ambassador Nomura, when speaking with American officials, to place the primary emphasis on the materialization of this proposed conference.<sup>380</sup>

Foreign Minister Toyoda was particularly anxious to have Ambassador Nomura emphasize the fact that although the Japanese government had made its final statement with regard to the negotiations, it did not consider that all questions and answers were now useless. Foreign Minister Toyoda welcomed any questions and was anxious to respond cordially to them, but since the United States government had not sent a single query since September 10, 1941, Foreign Minister Toyoda was deeply concerned.

<sup>378</sup> *Ibid.*

<sup>379</sup> III, 216.

<sup>380</sup> *Ibid.*

With the celebration of the first anniversary of the Tripartite Pact, the situation had become more critical than ever. Though a movement was underway in Japan to strengthen the Axis faction, and, consequently, opposition toward any adjustment with the United States was increasing, yet the advocates of anti-Americanism had not weakened the power of the present government.<sup>381</sup>

Nevertheless, in order to achieve a successful understanding, it would be necessary to produce quicker and better results and, perhaps, even to publish them. When once the date for an interview between the leaders of the two countries had been established or definite negotiations were underway, Foreign Minister Toyoda was certain that the people would stand united and that all opposition would be quickly overcome. However, at the present time Japan was disturbed concerning the delay in receiving a definite answer from the United States to the proposal submitted by Prince Konoye over a month before.

Because an influential Admiral and one General would be included in Prime Minister Konoye's entourage, the Japanese government feared that the United States might suspect it was controlled by military elements. Foreign Minister Toyoda had attempted to dispel this illusion. In speaking with British Ambassador Craigie in Tokyo, who had stated that the United States "lacks confidence concerning the attitude of the government of Japan", Foreign Minister Toyoda had attempted to eliminate American suspicion by pointing out the trustworthiness of Prime Minister Konoye and the complete reliability of the present Japanese government.<sup>382</sup>

## 92. Ambassador Nomura Suggests Changes in the Japanese Proposals (September 27, 1941)

On September 27, 1941, Ambassador Nomura informed Foreign Minister Toyoda that he had dispatched Mr. Matsudaira to deliver to Mr. Ballantine the English text of Japan's explanation for maintaining troops in China after the restoration of peace and<sup>383</sup> also the text indicating the Japanese government's final efforts to make arrangements for a conference between the leaders of the governments.

Expressing his opinion on various points of Admiral Toyoda's message, Ambassador Nomura believed that since the United States insisted upon coming to an agreement on all the points involved before considering the proposed leaders' conference, Japan could do no more than await an expression of the intentions of the United States since it had already clarified thoroughly its position.<sup>384</sup>

If further Japanese proposals were submitted before receiving a definite reply from America, matters would only be further complicated and the progress of negotiations possibly hampered because any inconsistencies appearing in the new proposals would cause the United States to doubt Japan's sincerity.

Ambassador Nomura had noted a definite desire on the part of the United States to conduct negotiations along the lines of its proposals submitted on June 21, 1941, which, in the Japanese Ambassador's opinion were concrete and extremely practicable. He suggested therefore, that his government accept the reasonings embodied therein.

Turning to a discussion of phrases contained in the Japanese proposals, Ambassador Nomura remarked that certain of them would cause a setback in the present negotiations. For example, if the item "no northward advance shall be made without justification" were deleted at this time, the American government would become suspicious of Japan's motives.

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<sup>381</sup>III, 217.

<sup>382</sup>III, 218.

<sup>383</sup>Mr. Terasaki presented Japan's reasons for maintaining troops in China to Mr. Dooman on September 23, 1941. See *S.D.*, II, 640. Foreign Minister Toyoda in a message to Mr. Koshi on September 23, 1941 ordered that a copy of this document be delivered to Secretary Hull. Ambassador Nomura delayed until September 27, 1941 before complying with this order.

<sup>384</sup>III, 219.

With respect to the attitudes of both nations toward the war in Europe, Ambassador Nomura believed the United States would find it exceedingly difficult to conform to Japan's proposal for joint mediation in bringing about world peace. The recent sinking of the American destroyer *Greer* by a German submarine had affected public opinion greatly. Therefore, it would be exceedingly difficult to secure complete agreement with the United States regarding the European war.

Ambassador Nomura commented that since all moves of America toward aiding the Allies were based on the desire to maintain its own national defense, even if it became actively involved in the conflict and even though provided with ample provocation to do so, America would probably not make any aggressive attack. By making the term "right to self-defense" as elastic as possible, the United States hoped to obviate the necessity of Japan's invoking the terms of the Tripartite Pact. Consequently, the outline of Japan's needs for self-defense, which appeared in the proposals, might easily arouse America's suspicions.

Fearing that no real negotiations could be entered into with the United States unless an agreement had been reached on the matter of garrisoning troops in China and extending a guarantee of nondiscrimination in this area, Ambassador Nomura expressed the opinion that in the final analysis Japan would be forced to accept the terms offered by the United States insofar as they did not conflict with the existing Nanking Agreement.

Though the "nondiscrimination" phrase was not so important as the questions surrounding the stationing of Japanese troops in China, Ambassador Nomura believed that several negotiations would have to be conducted with the United States before America would yield to any proposal. Furthermore, he felt that the United States would not be satisfied with Japan's assurance that no third nation would be discriminated against in China as long as it conducted economic enterprises on a fair and even basis, nor did it seem likely that the United States would permit Japan to exercise such privileges in China as were in conformity with "the principle of especially close relations".

Since the United States desired to publicize any understanding reached, Ambassador Nomura saw little possibility for Japan's success in having the United States and Japan held jointly responsible for the settlement of the China Incident. Since President Roosevelt was very interested in mediating the Japanese-Chinese question Ambassador Nomura thought that the United States would raise some question regarding the term "Konoye's statement and those agreements between Japan and China". In order to offset the possibility of any difficulty arising from this, Ambassador Nomura suggested that the word "President" be inserted in the phrase.

Since it had been rumored that Secretary Hull had written the part of the United States' proposals of June 21, 1941 pertaining to the political stabilization of the Pacific, Ambassador Nomura suggested that his government retain that portion of the proposal as a diplomatic gesture.

Furthermore, since he was certain that the new proposals would be more acceptable to the United States if they dealt solely with a large scale peace in the Pacific, Ambassador Nomura requested a deletion of that part of the agreement which referred to the evacuation of Japanese troops from French Indo-China only upon the termination of the China Incident.<sup>385</sup>

### 93. Ambassador Grew Appraises Conditions in Japan (September 29, 1941)

In a report to Secretary Hull and Under Secretary Welles, Ambassador Grew attempted to appraise conditions in Japan pertaining to the current diplomatic situation.<sup>386</sup> The

<sup>385</sup>Ibid.

<sup>386</sup>"Ambassador in Japan (Grew) to the Secretary of State", September 29, 1941, S.D., II, 645-650.

American Ambassador believed that since the fall of Admiral Yonai's Cabinet in July 1940, American diplomacy had not been in a better position to effect a Japanese-American rapprochement than it now held under the Konoye-Toyoda regime. Since the time was so propitious the American Ambassador hoped that an enduring foundation for friendly relations between the two countries would be established. Nevertheless, Ambassador Grew was aware that the withdrawal of Japanese troops from China and the prevention of further Japanese advances in the Pacific would be extremely difficult for any Japanese Minister to settle satisfactorily because of domestic opposition.

Since he believed that only respect for America's potential power had deterred Japan from taking more liberties with United States' interests, Ambassador Grew expressed the opinion that Tokyo's program of forceful expansion could be halted only by a threat to use this power, if necessary. By such action, a regeneration of Japanese thought might take place which would allow Japan to resume formal relations with the United States. This American policy had already aided in discrediting former Foreign Minister Matsuoka.

At the present time, Japan was attempting to correct its miscalculation in signing the Tripartite Pact with Germany and Italy in order to avoid the peril of being caught between Russia and the United States. With the advent of the German-Russian war, however, there was now every chance that the liberal elements in Japan would become more prominent in the attempt to extricate Japan from a dangerous position. By forbearance, patient argumentation and open declaration of the determination of the United States to take positive measures whenever they were called for, Ambassador Grew believed that the anticipated regeneration of Japanese-American relations could be effected.

The opinion was being circulated in certain circles of the United States government that an agreement between Japan and the United States would free the Japanese from the threat of America's aid to China, thereby allowing Japan to strengthen its forces for further aggression in China and throughout the Pacific. In addition, this same group held the opinion that when a deterioration in Japanese domestic economy occurred as a result of commercial restrictions exercised by the United Nations, Japan would be forced to relinquish its aggressive policies.

According to Ambassador Grew, the United States had the choice of two methods in dealing with Japan; one was the use of progressive economic strangulation, the other, constructive conciliation. From the trend of the informal conversations at Washington, it was evident that America had chosen the latter course. Should this method fail, the application of stronger economic restrictions could always be effected. Whatever the trend of Japanese-American relations were in the future, however, the United States would have to remain in a state of preparedness.

Ambassador Grew felt that the principal point at issue was not *whether* Japan would halt its expansionist program but *when*. If the United States were to lose the present opportunity to end Japan's program of forceful aggression, the prospect of war was not impossible. Recalling the cases of the *Maine* and the *Panay*, Ambassador Grew stated that war could quite possibly result from some incident arousing public opinion.

Ambassador Grew stressed the importance of understanding Japanese psychology since Japan's reactions to any circumstances could not be predicted according to Western standards. Were the United States to wait for the Japanese government to set forth, in concrete detail, commitments which would satisfy the American government, the conversations would be prolonged indefinitely. As a result the Konoye Cabinet and the elements supporting rapprochement with the United States would lose favor, and because of the abnormal sensitiveness of the Japanese and the effects of loss of face, the reaction against America would be serious. Such a situation would be even more serious than a failure to reach a complete agreement at a leaders' conference.

Ambassador Grew had been informed confidentially that the Japanese government found it impossible to clarify further its policies prior to the proposed Roosevelt-Konoye meeting

because former Foreign Minister Matsuoka had recounted the complete details of the Washington negotiations to the German Ambassador in Japan, and many of Mr. Matsuoka's supporters who were still in the Tokyo Foreign Office would be in a position to reveal information to German and Japanese extremists who render the present Cabinet's position untenable. However, Prince Konoye had promised to make commitments in his meeting with President Roosevelt that would satisfy the United States, and although unable to determine the exact truth of this statement, Ambassador Grew pointed out that Tokyo had shown a readiness to reduce its alliance with the Axis powers to a dead letter by initiating negotiations with the United States. He suggested, therefore, that the United States place a reasonable amount of confidence in the professed sincere intention and good faith of Prince Konoye and his supporters. As an alternative to discrediting the Japanese military powers through actual military defeat, America should attempt to regenerate Japanese thought by constructive conciliation along the lines of its present efforts.<sup>387</sup>

#### 94. Hull-Nomura Conversation (September 29, 1941)

##### (a) *State Department's Report*<sup>388</sup>

To deliver a document containing the gist of the meeting between Foreign Minister Toyoda and Ambassador Grew on September 27, 1941, Ambassador Nomura called at Secretary Hull's apartment on September 29, 1941.<sup>389</sup> The Japanese Ambassador had been instructed to press for a definite answer to the Japanese proposal, but since he was well aware of the American government's opinion regarding this matter and had already passed that information on to his own government, he was somewhat embarrassed. He also explained that he had been requested to obtain an interview with President Roosevelt, but in view of the present situation he would like to discuss the matter with Secretary Hull.

Secretary Hull replied that he had been out of direct touch with the President for the past three or four days, owing to the death of President Roosevelt's brother-in-law. Nevertheless, he expected to be able to give the Japanese Ambassador a memorandum concerning the proposals of the Japanese government in a short time, since he planned to see President Roosevelt that day.

Secretary Hull then declared that some delay had been necessary to permit Japan to educate its people to accept the program advocated by the United States. Ambassador Nomura explained that there were certain groups within the Japanese army which wondered why the United States, asserting leadership on the American continent because of the Monroe Doctrine, was interfering with Japan's assumption of leadership throughout Asia.

When asked if the Japanese public as a whole desired an immediate settlement of the China conflict, Ambassador Nomura replied in the affirmative but remarked that under existing circumstances they had no other alternative but to continue fighting. Ambassador Nomura agreed with Secretary Hull that many of the Japanese occupation forces would not wish to be recalled.

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<sup>387</sup>*Ibid.*

<sup>388</sup>"Memorandum of a conversation", September 29, 1941, initialed by Mr. Joseph W. Ballantine, *S.D.*, II, 651-652.

<sup>389</sup>"Document handed by Japanese Ambassador (Nomura) to Secretary of State (Hull)", September 29, 1941, *S.D.*, II, 652-654. The text to of this same oral statement was conveyed to Ambassador Grew by Foreign Minister Toyoda, see *S.D.*, II, 641-645. For the text wired to Ambassador Nomura by Foreign Minister Toyoda on September 27, 1941, see III, 215.

Although certain that the Konoye government was in a strong position, Ambassador Nomura believed that if Prime Minister Konoye failed to achieve a meeting between the chiefs of the two governments, he would be succeeded by a less moderate leader.<sup>390</sup>

(b) *Ambassador Nomura's Report*<sup>391</sup>

Ambassador Nomura reported to Tokyo on September 29, 1941 that in accordance with his instructions he had called on Secretary Hull that morning to speak of Foreign Minister Toyoda's conference with Ambassador Grew, to urge again that early action be taken on the leaders' conference, and to request that he be permitted to see President Roosevelt.

Because of the death of a relative, President Roosevelt had been away for a time, but Secretary Hull assured the Japanese Ambassador that within a few days a memorandum would be issued to him by the United States.

Thoroughly familiar with Ambassador Grew's report on the meeting with Foreign Minister Toyoda in Tokyo, Secretary Hull was convinced that the need for immediate action was evident, but he believed that unity of public opinion in Japan was of primary importance. Stating that Japanese public opinion could never be made to conform to every whim of the United States, Ambassador Nomura pointed out that the Japanese people could not understand why the United States, which always appealed to the Monroe Doctrine after seizing leadership in the American continents, meddled constantly in Asiatic affairs. Nevertheless, Ambassador Nomura was certain that once the negotiations with the United States were underway any understanding resulting from them would receive the full accord of the Japanese government, the army and the navy.<sup>392</sup>

## 95. Foreign Minister Toyoda Submits Official Interpretation of Japanese Proposals

A few days after Ambassador Nomura had presented Secretary Hull with the latest Japanese proposals, Foreign Minister Toyoda, although anxious to facilitate negotiations, agreed with Ambassador Nomura that the Japanese government should avoid making any further proposals until it had received a reply from the United States.<sup>393</sup>

Stating that on July 14, 1941 he had sent some instructions which Ambassador Nomura had never presented to the American officials, Foreign Minister Toyoda declared that he had issued other proposals on September 4, 1941 and September 25, 1941 in which he had attempted to harmonize both documents with the American proposal of June 21, 1941. He had hoped, therefore, that negotiations might be made on the basis of these proposals.

In the event that American officials questioned certain phrases in these latest Japanese proposals, Foreign Minister Toyoda advised Ambassador Nomura concerning their interpretation. The expression "as there is no real objective, we will make no northward invasion" was omitted from the Japanese proposals of September 25, 1941 because it was feared that the insertion of such a phrase might lead America to suspect that Japan had designs against Soviet Russia.

Since the whole problem evolved from the China Incident and the South Seas' question in the first place, Japan felt that there was no particular problem in the north. With regard to the clause concerning the stability of the Pacific area, Foreign Minister Toyoda believed that the matter had been fully discussed in the proposals and that any further clarification could be taken up at the leaders' meeting. In any event, he had no objection to the statement.<sup>394</sup>

<sup>390</sup>"Memorandum of a conversation", September 29, 1941, initialed by Mr. Joseph W. Ballantine, S.D., II, 651-652.

<sup>391</sup>III, 220.

<sup>392</sup>*Ibid.*

<sup>393</sup>III, 221.

<sup>394</sup>*Ibid.*

Since the term "when the proper time comes" had been included in the article discussing the European war, Foreign Minister Toyoda felt that neither country would object to the statement of their respective attitudes. Until the American government broached the subject again, however, the Japanese Foreign Minister desired to postpone discussion of the second clause of the same article.

Concerning the adjustment of the China Incident, the Japanese government was aware of the United States' belief that the settlement of this particular problem was of greatest importance to the stability of the Pacific area. However, if the United States opposed the first clause which indicated that both governments considered it their joint responsibility to bring about peace, Japan was willing to leave it out altogether.

Since Japan, from the beginning of negotiations, had been looking with expectancy to American mediation in the China affair, it had no objection to President Roosevelt's assisting in the settlement. The phrase "a treaty between Japan and China" had been inserted in accordance with the three principles laid down by Prime Minister Konoye, and had no special meaning.<sup>395</sup>

Since the United States might entertain some misgivings about the question of nondiscrimination in Chinese economic activities, Foreign Minister Toyoda offered the assurance that the principle of trade equality would be applied to all other countries. However, in accordance with similar practices existing throughout the world, the geographical situation in the Far East would naturally result in more intimate, neighborly relations between Japan and China. Nevertheless, once the conditions arising from the American freezing order had been ameliorated, commerce between Japan and the United States could be resumed on a normal basis and the Japanese government would be willing to accept the United States' proposals governing trade.

In view of the fact that the stipulations concerning political stability in the Pacific, as set forth in the American proposal, had been strongly supported by Secretary Hull, Foreign Minister Toyoda stressed that Japan would give them full consideration, especially since they were general stipulations. In order to expand the significance of the clause pertaining to the establishment of peace in the Pacific, Foreign Minister Toyoda had embodied therein proposals for the military evacuation of French Indo-China and the settlement of the China Incident. If the United States did not like this arrangement, Foreign Minister Toyoda was willing to change it.<sup>396</sup>

#### 96. Ambassador Nomura Converses with Admirals Stark and Turner (September 30, 1941)

On September 30, 1941 Ambassador Nomura met with Admiral Stark to confer on the Japanese-American situation, and Rear Admiral Turner joined them later. In the opinion of Admiral Stark the stationing of Japanese troops in China was imperiling the present negotiations, and unless the incident was settled without further delay, an understanding between Tokyo and Washington would be impossible.

Although Rear Admiral Turner doubted that Japan would agree to evacuate China completely, he was certain that unless some compromise could be reached in the preparatory discussions, a meeting between the two leaders would be extremely dangerous.

When the discussion turned to the interpretation of the Tripartite Pact, Admiral Stark stated that the United States would not strike at Japan, since if it fought a two ocean war, it would have to defend itself in the Pacific.<sup>397</sup>

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<sup>395</sup> III, 222.

<sup>396</sup> III, 223.

<sup>397</sup> III, 224.

## **97. Mr. Iguti Warns Tokyo Against Signs of Over-Anxiety**

In the message to Mr. Terasaki, Chief of the American Bureau in Japan on September 29, 1941, Counselor Iguti warned his government against showing signs of over-anxiety in dealing with the present negotiations.<sup>398</sup> Furthermore, he believed that it was unwise to deliver statements in Washington which were copies of the original already handed to Ambassador Grew, since transmission errors and discrepancies in translation often created unnecessary misunderstandings. Under these circumstances, Ambassador Nomura found it difficult to explain without lengthy explanations vague passages in the document. Another practice of the Japanese Foreign Office, causing confusion and delay, was the constant submission of proposals which seldom ran in sequence.

Information indicated that the United States believed that the Japanese government was shifting the scene of the negotiations to Tokyo in order to delay proceedings so that Japan could watch the development of the Russian-German war and launch a northward move, if conditions were in its favor.

It was reported to Mr. Iguti that Japanese governmental circles believed that the United States had no reason to refuse the most recent Japanese proposals. They blamed interference in Washington for the inactivity of the United States. However, Mr. Iguti remarked that during the past six months Japanese officials in Washington had clearly indicated the attitude of the United States in their reports to Tokyo. Believing that Tokyo viewed the United States' statements too optimistically, and in fact, with an attitude of almost wishful thinking, Mr. Iguti was certain that the United States had no intention of withdrawing from its position.

By its impatience in urging an immediate reply from the United States, Japan was endangering the situation by giving the impression that the Japanese government was overly anxious to arrive at an understanding. Since the United States had not suffered greatly from any economic measures imposed upon it by Japan, it could afford to delay matters. On the other hand, the American freezing order had affected Japan's entire economic structure. Mr. Iguti believed that under these circumstances, Japan should not show its hand by signs of over-anxiety.<sup>399</sup>

## **98. Mr. Terasaki Replies to Mr. Iguti**

After receiving Mr. Iguti's message concerning Japanese-American relations, and giving it careful consideration, Mr. Terasaki replied that Counselor Iguti's criticisms were justified in regard to the Japanese government's continuing to send proposals after having stated officially that Japan had made its last concession. The Japanese message of September 4, 1941 had been designed to express Japan's views on existing problems in a broad light, and desiring to facilitate negotiations, the Japanese government had sent further messages based upon the United States' proposals of June 21, 1941, which pertained to the garrisoning of troops in China and peace terms for the settlement of the China Incident. Sent at the request of both Prime Minister Konoye and the Japanese military authorities, these supplementary notes were to be used as reference material by the Japanese Ambassador in Washington when explaining Japan's position to the United States government.

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<sup>398</sup> III, 225.

<sup>399</sup> *Ibid.*

Officials in Tokyo had been quite unaware that Ambassador Nomura had submitted a statement of his own on September 4, 1941 until certain questions concerning it were raised by Ambassador Grew in Tokyo. Although the Japanese Ambassador had submitted the note only as an unofficial draft, it had complicated negotiations exceedingly. However, Mr. Terasaki realized that Ambassador Nomura and Counselor Iguti were exercising every effort to bring about a satisfactory understanding, and regretted only that the United States did not reciprocate this exhibition of Japanese statesmanship.

Nevertheless, there were more among the Japanese officials who, underestimating the United States, viewed the present condition with undue optimism. In fact, Mr. Terasaki felt that Japanese officials in Washington did not fully appreciate the critical domestic conditions existing in Japan itself. Only by the clear thinking of the military officials in Tokyo had an outbreak been averted following the celebration of the Tripartite Pact on September 27, 1941.<sup>400</sup>

Mr. Terasaki suggested that Counselor Iguti obtain a full description of Japan's internal situation from Minister Wakasugi upon his return to the United States. Furthermore, an explanation should be made to the United States along the lines that certain officials in the United States, misunderstanding the political situation in Japan, did not appreciate the strength of Prime Minister Konoye's Cabinet, and believed consequently that an agreement concluded by the Japanese government would be disregarded by the military organization.

Mr. Terasaki emphasized that though there did exist a faction opposed to the present Cabinet, it would be easily overruled by those in favor of Prime Minister Konoye. It was true that Colonel Mabuchi's broadcast and Mr. Nakano's speech were opposed to Prime Minister Konoye's message, but Mr. Terasaki felt that anyone cognizant of the characteristics of the Japanese people and familiar with conditions in Japan would be able to evaluate those speeches properly. British and American newspapermen, concerned primarily with "journalistic interests", exaggerated minor points in the speech, thereby causing grave misunderstanding.

According to Mr. Terasaki, if the situation were properly explained to American officials, they would understand the real picture. In view of domestic circumstances and external conditions, it was evident that Japan was eager to have a leaders' conference take place. If American officials chose to construe this Japanese attitude as impatience, nothing could be done about it.

Japan agreed that Washington was to be the central locale of any negotiations conducted, though an occasion might arise when conversations would be conducted in Tokyo first. Anyone who construed such action as a delay on the part of the Japanese government misunderstood Foreign Minister Toyoda's intentions.

Time, in Japan's opinion, was now the most important element, for the materialization of the present negotiations would have an important bearing on peace not only in the Pacific but also throughout the world. Thus, the seriousness of the situation was obvious. If the United States so wished, Japan was willing to negotiate further on the basis of its recent message which contained its final efforts to persuade the United States to agree to a leaders' conference.<sup>401</sup>

## 99. Tokyo Denies Rumors of Dissension in Konoye Cabinet

Special Japanese intelligence reports from New York had revealed that America still regarded the negotiations with Japan from a pessimistic standpoint and that rumors were circulating that Prime Minister Konoye's Cabinet inevitably would be forced to undergo a revision within two weeks.<sup>402</sup> Tokyo denied this rumor and urged that American officials be enlightened with regard to the true situation.

<sup>400</sup> III, 226.

<sup>401</sup> *Ibid.*

<sup>402</sup> III, 227.

When answering Secretary Hull's questions on the attitude of Japanese public opinion toward negotiations with America, Foreign Minister Toyoda urged that Ambassador Nomura give full assurance that public opinion was calm. The Japanese government was becoming increasingly conscious of the need to issue a statement on the negotiations at the earliest opportunity.<sup>403</sup>

#### 100. Hull-Nomura Conversation (October 2, 1941)

##### (a) *State Department's Report*<sup>404</sup>

On October 2, 1941 when Ambassador Nomura called at Secretary Hull's apartment, he was presented with a confidential statement expressing the views of the United States toward the Japanese proposals.<sup>405</sup>

It declared that after a careful study of the proposals submitted to Secretary Hull by Ambassador Nomura on September 6, 1941 and all statements subsequently communicated to America by Japan, the United States had arrived at certain conclusions.

Welcoming an opportunity to further the broad objectives and principles of peace, the United States had received Japan's suggestion, made through Ambassador Nomura during the early part of August 1941, that a meeting be held by the responsible heads of both governments in order to discuss the adjustment of existing relations. Furthermore, the suggestion had been carefully considered that the informal conversations be resumed in order to ascertain a basis for a peaceful program covering the entire Pacific situation.

As a result, on August 17, 1941, President Roosevelt in a reply to the Japanese Ambassador expressed the view that the United States was prepared to consider the resumption of exploratory discussions provided that they envisaged the conclusion of a progressive program by peaceful means, an equality of commercial opportunity and treatment throughout the entire Pacific area, and the making of raw materials and other essential commodities accessible to all countries. Japan would profit from the adoption of such a program. Provided that the Japanese government agreed to a peaceful program in the Pacific and adhered to the principles to which the United States was committed, the American government would endeavor to arrange a suitable time and place for the exchange of views.

It was gratifying to both President Roosevelt and the United States to receive a message from Prime Minister Konoye and a statement from Japan on August 28, 1941, expressing Japan's intention to pursue a peaceful course in harmony with the broad purpose and fundamental principles to which the United States was committed. Supporting the program outlined by President Roosevelt as applicable not only to the Pacific area but to the entire world, the Japanese government gave further assurance that it would exert no military force against any neighboring nation without provocation.

While anxious not to delay arrangements for the proposed meeting between the two government leaders by a discussion of minor details, the United States, nevertheless, felt it advisable to clarify the interpretation of certain principles in order to ensure the achievement of all objectives. In replying to Ambassador Nomura on September 3, 1941, President Roosevelt agreed to collaborate with the Japanese government in supporting the four principles, previously mentioned by the United States, upon which relations between the two nations must properly rest:-

<sup>403</sup> *Ibid.*

<sup>404</sup> "Memorandum of a conversation", October 2, 1941, initialed by Mr. Joseph W. Ballantine, *S.D.*, II, 654-656.

<sup>405</sup> *Ibid.*

1. Respect for the territorial integrity and sovereignty of each and all nations.
2. Support of the principle of non-interference in the affairs of other countries.
3. Support of the principle of equality, including the equality of commercial opportunity.
4. Non-disturbance of the status quo in the Pacific except as the status quo may be altered by peaceful means.

Pointing out the necessity of reaching a community of view with respect to the fundamental differences revealed during the informal conversations, President Roosevelt had requested an indication of Japan's attitude toward the fundamental principles and in a conversation with Ambassador Grew at Tokyo, Prime Minister Konoye on September 6, 1941 had subscribed fully to the four principles mentioned above.

In view of the foregoing developments and assurances, coupled with other statements made by the Japanese government, the United States had been assured of Japan's intention to give practical application to the broad progressive program covering the entire Pacific area.

When the proposal extended by Ambassador Nomura on September 6, 1941 had disclosed divergencies in the concepts of the two governments, the United States was gravely disappointed. While they were apparently intended as a concrete basis for discussions, those Japanese proposals and the subsequent explanatory statement narrowed and restricted the application of the basic principles regarding the establishment and maintenance of peaceful stability throughout the entire Pacific area. Because of previous broad assurances given by the Japanese Prime Minister and the Japanese government, the United States did not understand the need for Japan's modifying its former commitments with unnecessary qualifying phrases.

Although recognizing the inalienable right of any nation to defend itself from aggression, the United States found it difficult to conceive of any circumstances developing in the territory of French Indo-China, in Thailand or in Soviet Russia which would constitute a threat or provocation to Japan.

Although a formula of nondiscrimination in international commercial relations had been set down as the fundamental economic policy of the two governments, the proposals of September 6, 1941 and subsequent communications from the Japanese government restricted the commitments contained in that economic agreement to countries of the Southwest Pacific area. In spite of assurances that it would respect the principle of nondiscrimination in China, the explanation given by the Japanese government implied that it intended to limit this principle by reason of geographical propinquity to China.<sup>406</sup>

Peace would not be achieved if either government could pursue one course or policy in a certain area at the same time that it followed an opposing policy in another area. In the views expressed by the Japanese government relating to the question of China, the United States noticed a determination to station Japanese forces in certain areas of China for an indeterminate period. Such a procedure seemed to be out of keeping with the progressive principles discussed in the informal conversations. The United States could not agree with the reasons laid down by Japan for continuing its military occupation of China and it felt that such action would endanger any prospects of stability.

In order to give full assurance of its peaceful intentions and desire to establish a sound basis for future stability and progress in the Pacific area, the United States believed that Japan should exhibit a clear-cut manifestation of its intention to withdraw Japanese troops from China and French Indo-China.

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<sup>406</sup>"Oral statement handed by the Secretary of State to the Japanese Ambassador (Nomura), October 2, 1941, S.D., II 656-661. For English text wired to Foreign Minister Toyoda by Ambassador Nomura on October 2, 1941, see III, 228-239.

The United States fully appreciated the steps taken by Japan to meet the difficulties inherent in the different relations of both countries toward the European war and declared that it would be very helpful if the Japanese government would continue to study the question for the purpose of clarifying it still further.

In order to prepare for the proposed meeting of responsible Chiefs of the Japanese and American governments, the United States had endeavored to put into effect a comprehensive program applying liberal and progressive principles uniformly to the entire Pacific area. Apparently, however, the Japanese government desired a program circumscribed by qualifications and exceptions to the actual application of those nondiscriminatory principles. Under these circumstances, a meeting between Prime Minister Konoye and President Roosevelt could never hope to contribute to the advancement of the purposes which the United States desired.

Nevertheless, the United States welcomed Japan's assurances, accompanying Prime Minister Konoye's message to President Roosevelt, that it advocated the principles supported by the United States as the only sound basis for stable international relations. The United States believed that these fundamental principles must be given renewed consideration before a firm foundation could be laid for a meeting between the two governments.

The statement pointed out that President Roosevelt, still interested in the proposed meeting with Prime Minister Konoye, sincerely hoped that a discussion of the fundamental questions would add to the success of such a meeting. The United States was firmly convinced that by collaborating with Japan in the fundamental rehabilitation of mutual relations, the resulting agreement would contribute to lasting peace throughout the Pacific area, based upon justice, equity and order.<sup>407</sup>

After reading the document, Ambassador Nomura stated that his government would be disappointed that the proposed meeting could not take place. Once more, he assured Secretary Hull of Japan's sincerity in first suggesting that such a meeting be held,<sup>408</sup> but said that in view of internal difficulties, he did not believe that Japan could go further at this time.

Although expressing his own confidence in the sincerity of the Japanese Prime Minister and other officials of that government, Secretary Hull nevertheless pointed out that past actions of Japan made it impossible to remove certain doubts concerning the true aims and principles of Tokyo. For this reason, the Secretary of State had insisted that a definite agreement, incorporating the peaceful policies and courses of both governments, be drawn up.

Ambassador Nomura then referred to a press report made by a member of the American Cabinet, which would undoubtedly have a bad effect on Japan's public opinion. Although admitting that certain persons in Japan had made similar statements which were detrimental to Japanese-American peace negotiations, Ambassador Nomura did not believe that they were members of the Japanese Cabinet. Secretary Hull replied that during the informal conversations between Ambassador Nomura and members of the American government, Mr. Matsuoka had made statements inconsistent with the spirit prompting these discussions, but Ambassador Nomura had continued the discussion despite them.

Secretary Hull believed that no proposed meeting could be held before a definite agreement in policy had been established, nor could any patchwork arrangement result in a lasting Pacific peace. It was Ambassador Nomura's opinion that the only source of difficulty was Japan's desire to retain troops in China. No dispute was expected over the question of commercial equality.

<sup>407</sup> *Ibid.*

<sup>408</sup> "Memorandum of a conversation", initialed by Mr. Joseph W. Ballantine, S.D., II, 654-656.

Expressing the belief that Japan would benefit from the universal application of the policy of nondiscrimination, Secretary Hull referred to a report of the Lima conference, containing many economic resolutions concerning South America, which the Japanese government might adopt in the Far East.

According to Ambassador Nomura, Japan's present attitude with respect to regional economic blocs, which destroyed the fundamental principle of nondiscrimination, had resulted from measures similar to those taken at Ottawa, Canada. Since he had been fighting the adoption of such commercial policies, Secretary Hull stated that he would like Japan to join the United States in establishing liberal economic policies. At the conclusion of the conference, Ambassador Nomura again assured Secretary Hull that the Konoye Cabinet was in a comparatively strong position and it desired to reach an agreement with the United States.<sup>409</sup>

(b) *Ambassador Nomura's Report*

Calling on Secretary Hull at his invitation at 9:00 A.M. on October 2, 1941, Ambassador Nomura received the reply of the United States to the Japanese proposals.<sup>410</sup> Secretary Hull stated that in the opinion of the United States a conference between Prime Minister Konoye and President Roosevelt would be precarious unless a "clear-cut", not a "patch up", understanding regarding the maintenance of peace throughout the whole Pacific could be arrived at beforehand. Although disappointed by the American reply, Ambassador Nomura promised to transmit the message to his government.<sup>411</sup>

**101. Tokyo Reports Receiving America's Reply**

On October 3, 1941 Tokyo reported the receipt of the United States' reply to Japan's proposal concerning the leaders' conference.

In view of the domestic situation, Foreign Minister Toyoda urged that careful checks be made of newspaper articles dealing with the Japanese-American negotiations, since rumors concerning the fall of the Konoye Cabinet might endanger the success of the negotiations.<sup>412</sup>

**102. Hull-Nomura Conversation (October 3, 1941)**

(a) *State Department's Report*<sup>413</sup>

Ambassador Nomura had called on Secretary Hull at his own request on October 3, 1941 to report among other things that on the preceding day he had transmitted the text of the United States' reply to the Japanese proposals. In turn, Tokyo had informed the Japanese Ambassador that it was preparing a statement for public release.<sup>414</sup> Ambassador Nomura hoped to receive an advance copy to submit to Secretary Hull before its publication. Secretary Hull made no comment.<sup>415</sup>

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<sup>409</sup> *Ibid.*

<sup>410</sup> III, 240

<sup>411</sup> *Ibid.*

<sup>412</sup> III, 241.

<sup>413</sup> "Memorandum of a conversation", October 3, 1941, initialed by Mr. Joseph W. Ballantine, S.D., II, 661.

<sup>414</sup> There is no record of such a definite statement from Tokyo in American files.

<sup>415</sup> "Memorandum of a conversation", October 3, 1941, initialed by Mr. Joseph W. Ballantine, S.D., II, 661.

(b) *Ambassador Nomura's Report*

In order to expedite certain business matters for his government, Ambassador Nomura called upon Secretary Hull on October 3, 1941.<sup>416</sup> The Japanese Naval Ministry desired that arrangements be made to have a courier from Washington go to Hawaii, and the Japanese Foreign Office wished to purchase American oil through the transfer of Japan's unfrozen funds in South America. Although these matters ordinarily came under the cognizance of the Treasury Department and the Maritime Commission, Secretary Hull promised to intercede for the Japanese government.

Ambassador Nomura also mentioned the possibility of Japan's issuing a statement regarding the adjustment of Japanese-American diplomatic relations, and said that if this were done the United States would be notified. Secretary Hull did not object.<sup>417</sup>

**103. Foreign Minister Toyoda Obtains a Copy of British Ambassador Craigie's Report (October 3, 1941)**

Since British Ambassador Robert Craigie's vacation trip to the United States had been unavoidably delayed by the sickness of his chief assistant, Foreign Minister Toyoda availed himself of the opportunity to discuss various problems involving the Japanese-American situation with him. The Japanese Foreign Minister also asked Ambassador Grew to discuss current diplomatic relations with the British Ambassador.

As a result of both these meetings, Foreign Minister Toyoda reported that Ambassador Craigie had cabled Foreign Secretary Anthony Eden and Ambassador Halifax in support of the proposals for an immediate conference between the United States and Japan. However, in view of the secret source of this information, Ambassador Nomura was asked not to disclose it.<sup>418</sup>

Since Ambassador Nomura was furnished with the gist of Ambassador Craigie's report to the British government, several interesting possibilities exist concerning the method by which the Japanese obtained it. Though Ambassador Craigie might have given the report to the Japanese Foreign Office, this seems improbable in view of Foreign Minister Toyoda's use of the phrase "according to absolutely unimpeachable sources", instead of mentioning the British Ambassador, and his instructions to Ambassador Nomura concerning absolute secrecy in the matter.<sup>419</sup>

The report might have been obtained through espionage activities. Another interesting possibility is that the Japanese were reading the British diplomatic codes at this time, though there is no other evidence to indicate their success in this field. However, in the absence of definite information, no decision can be reached as to the source of this intelligence.

According to Ambassador Craigie's report to London, the resignation of former Foreign Minister Matsuoka had increased the chances for Japan's turning from the Axis powers toward the democracies. The British Ambassador pointed out that if such a change were to benefit Japan it must take place without delay. Since at the present time Japan could enter into nothing more than a temporary understanding, the United States was endangering the ultimate success of the negotiations by arguing over every word and phrase as though it were essential to the conclusion of any preliminary agreement. It was apparent, Ambassador Craigie believed, that the American government did not understand domestic conditions in Japan.<sup>420</sup>

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<sup>416</sup> III, 242.

<sup>417</sup> *Ibid.*

<sup>418</sup> III, 243.

<sup>419</sup> *Ibid.*

<sup>420</sup> III, 244.

In spite of the strong opposition within Japan arising from Prince Konoye's reversal of policy, the Japanese Prime Minister retained his desire to avoid the dangers connected with the Tripartite Pact. If this opportunity for the settlement of Far Eastern problems were lost and the leaders' conference failed to materialize, Ambassador Craigie declared that the Konoye Cabinet would be placed in a precarious position.

Though Ambassador Craigie was aware that many other factors were complicating the consideration of negotiations, both he and the American Ambassador in Japan agreed that this favorable opportunity should not be allowed to slip by because of the unduly suspicious attitude of the United States. However, he agreed that until Prime Minister Konoye's principles actually materialized, retaliatory economic pressure against Japan should be continued.<sup>421</sup>

#### **104. Foreign Minister Toyoda Directs Ambassador Nomura to Submit Another Japanese Explanation**

On October 4, 1941 Foreign Minister Toyoda directed Ambassador Nomura to indicate to American authorities that since the Japanese attitude regarding certain fundamental points had been explained theoretically to the satisfaction of the United States, the actual opening of negotiations should now be possible.<sup>422</sup> Although there remained three points upon which divergent views were still held, namely: economic activity in the Pacific, the withdrawal of Japanese troops, and the interpretation of the Tripartite Pact, the Japanese government was certain that the United States had a clear comprehension of the other issues.

Though Prime Minister Konoye approved in principle of the four basic principles underlying the present negotiations, this did not preclude certain differences of opinion regarding their actual application which Prime Minister Konoye desired to consider at the time of the negotiations. The Japanese government had managed its domestic affairs in order to accomplish this, and it wanted Ambassador Nomura to see to it that the United States did not misunderstand the situation.<sup>423</sup>

#### **105. Ambassador Nomura Apologizes for His Hasty Conclusions**

During the period of informal negotiations between Japan and the United States, Ambassador Nomura and Foreign Minister Toyoda often disagreed as to policy and principles. On October 4, 1941 Ambassador Nomura, asking that Foreign Minister Toyoda excuse the careless remarks he had sent to Tokyo on the preceding day, explained that his actions had resulted only from the most profound concern for Japan at this critical moment of its history, and that he was deeply impressed with Foreign Minister Toyoda's tremendous efforts since his appointment and throughout the negotiations.<sup>424</sup>

Ambassador Nomura believed that before Japan was able to become self-sufficient as a result of the sphere of co-prosperity, a drastic economic reorganization would have to take place which would be difficult to carry out. Expressing a doubt about a northward advance, the Japanese Ambassador believed that a move to the south might obtain a profitable foothold after several years.<sup>425</sup>

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<sup>421</sup>*Ibid.*

<sup>422</sup>III, 245.

<sup>423</sup>*Ibid.*

<sup>424</sup>III, 246.

<sup>425</sup>*Ibid.*

## **106. Foreign Minister Toyoda Requests an Immediate Reply to His Message of October 4, 1941**

Since Foreign Minister Toyoda had not yet received any information from Ambassador Nomura regarding America's attitude toward the points outlined in his message of October 4, 1941,<sup>426</sup> he informed the Japanese Ambassador on October 17, 1941 that the Japanese government was unable to continue its consideration of the United States' memorandum. Therefore, the Japanese Foreign Minister requested that Ambassador Nomura submit a report with the utmost speed.<sup>427</sup>

On the following day Ambassador Nomura's report had not yet been received in Tokyo. Since the internal situation in Japan would not permit further delay, Foreign Minister Toyoda again stated that until he had received the American reply to his telegram, the Japanese government could not continue its discussions concerning the American memorandum. Therefore, he again urged that Ambassador Nomura reply at once.<sup>428</sup>

## **107. Japanese-American Conversation**

Breakfasting with Mr. Eugene Dooman in Tokyo on the morning of October 7, 1941, Mr. Ushiba discussed the precarious position in which Prince Konoye now found himself because the preliminary conversations with the United States had failed to make progress. Since the latest Japanese proposal for reconciliation between the two countries had not been accepted, the opposition in Japan now had an opportunity to criticize the Konoye Cabinet.<sup>429</sup>

Although in its anxiety to end the China Incident the army had given Prince Konoye unqualified support, he would now have to accept responsibility for the present failure. No one else would take a similar risk or would have the political prestige to gain support of the army in settling the China Incident by negotiation.

Pessimism in the army as well as in the other Japanese official circles had greatly increased because of the failure of the American government to state the precise measures it wished Japan to take. In fact, since the receipt of the memorandum of October 2, 1941 from the United States, many in Japanese governmental circles believed that after America had obtained a definite declaration of Japan's policies and objectives, with no intention of formulating any understanding with Tokyo, America felt justified in maintaining an attitude of quasi-hostility against Japan because its objectives differed from their own. Refuting this conjecture, Mr. Dooman stated that the memorandum of October 2, 1941 had been a direct result of American public opinion which demanded that there be an agreement on certain fundamental points prior to any formal negotiations.

Nevertheless, Mr. Ushiba insisted that the American memorandum was not only extremely argumentative, preceptive and uncompromising, but it also contained no suggestions calculated toward helping the Japanese government to meet the desires of the United States. At the conclusion of the meeting Mr. Ushiba said that the only thing left for Japan to do was to ask the American government to specify exactly the commitments it wished Japan to make, and if a definite reply were not forthcoming, to end the conversations.<sup>430</sup>

<sup>426</sup>III, 245.

<sup>427</sup>III, 247.

<sup>428</sup>III, 248.

<sup>429</sup>"Memorandum by the Counselor of Embassy in Japan (Dooman)", October 7, 1941, S.D., II, 662-663.

<sup>430</sup>Ibid.

## 108. Grew-Toyoda Conversation (October 7, 1941)

### (a) *Ambassador Grew's Report*<sup>431</sup>

Foreign Minister Toyoda requested that Ambassador Grew call on the morning of October 7, 1941 to discuss the American memorandum presented to Ambassador Nomura on October 2, 1941. Because the American Embassy had received only a resume of that document, Ambassador Grew declined to make any comments.

Foreign Minister Toyoda stated that not only had he been informed of Ambassador Grew's private meeting with Prince Konoye on September 6, 1941, but also he knew that Ambassador Grew had communicated Prince Konoye's statements to President Roosevelt through Secretary Hull in "a personal and private message". Since the Prime Minister's statements had been unofficial and merely those of an individual in the Japanese government, it had not been expected that they would be incorporated into a public American document which would be circulated among Japanese officials having no knowledge of Prince Konoye's meetings with Ambassador Grew. However, because Prince Konoye's opinion had been expressed inaccurately in the American memorandum of October 2, 1941, Japan felt it necessary to clarify the record.

In spite of the fact that the American document had maintained that Prince Konoye fully subscribed to the four points contained in the memorandum of October 2, 1941, actually the Prime Minister had accepted the four point program only "in principle", and had indicated that some adjustment would be required in their application to actual conditions. Ambassador Grew interpolated the comment that there was no doubt as to the accuracy of his report concerning the Japanese Prime Minister's statement. Foreign Minister Toyoda then stated that following the complete examination of the memorandum of October 2, 1941, further comments would be forthcoming. In the meantime, the Japanese Foreign Minister, referring to the unofficial draft statement presented to Secretary Hull by Ambassador Nomura on September 4, 1941 as well as Prince Konoye's unofficial statement of September 6, 1941, requested that misunderstandings arising from a discussion of such "technical procedure" should be avoided until some real progress had been made.

Foreign Minister Toyoda commented briefly on the United States' desire to revert to the status quo which had prevailed four years ago in the Pacific. Because Japan had been involved in large scale warfare since that time, a return to the situation previously existing would entail basic adjustments in Japan.

When asked for his own private opinion on the position of the United States according to the memorandum of October 2, 1941, Ambassador Grew replied that America was endeavoring to ensure that Japan would observe those principles designed to achieve lasting peace in the Pacific area.<sup>432</sup>

### (b) *Foreign Minister Toyoda's Report*<sup>433</sup>

On October 7, 1941 Foreign Minister Toyoda advised Ambassador Nomura that he had requested Ambassador Grew to call upon him to discuss the American reply to the Japanese proposals. Assuming that the American Ambassador had also received a copy of the United States' memorandum of October 2, 1941, Foreign Minister Toyoda inquired concerning Mr. Grew's opinions on the document. However, since Ambassador Grew had received only a resumé of his government's memorandum, he was loath to express an opinion without having read the full text.

<sup>431</sup>"Memorandum by the Ambassador in Japan (Grew)" October 7, 1941, *S.D.*, II, 663-665.

<sup>432</sup>*Ibid.*

<sup>433</sup>III, 249.

Certain that this resumé contained the most important points of the American memorandum, and would facilitate the forming of an opinion, Foreign Minister Toyoda urged that Ambassador Grew cooperate in reaching an understanding by voicing his ideas. Although forced to base his statements on an inadequate knowledge of the circumstances, Ambassador Grew replied that the United States was undoubtedly attempting to secure an agreement on the preliminary conditions.

Remarking bluntly that the Japanese government was dissatisfied with the American reply, Foreign Minister Toyoda said that the United States did not understand the domestic and external conditions affecting Japan. Assuring the Japanese Foreign Minister that recently he had submitted a fourteen page report on the various changes seen during his many years in Japan, Ambassador Grew said that he had described fully the sincere efforts made by the Japanese government to effect a compromise with America. However, Ambassador Grew did not continue the discussion of this matter.

Foreign Minister Toyoda then discussed certain phrases used in the United States' memorandum of October 2, 1941 which did not meet the approval of the Japanese government. Although it stated that Prime Minister Konoye had "fully subscribed" to the four principles laid down by the United States, actually the record of the meeting between Ambassador Grew and the Japanese Prime Minister clearly showed that Prince Konoye had agreed to these policies "in principle" only.

When Ambassador Grew insisted that he had reported the discussion accurately to his government because he had been fully aware of the importance of each word spoken, Foreign Minister Toyoda agreed that the matter was important and that his notes clearly recorded an agreement in principle only. In view then of this error the Japanese government took the liberty of changing the term "fully" to "in principle". In order to have the statement coincide with that made in the original discussion, Prime Minister Toyoda ordered that this correction be made in the copies of the American memorandum sent to Ambassador Nomura and other authorized persons for their perusal. Ambassador Grew thanked the Japanese Foreign Minister for reporting this discrepancy to him.

After explaining that he had no desire to become too argumentative, Foreign Minister Toyoda asked by what authority the United States had quoted a passage from Prime Minister Konoye's private message to President Roosevelt in an official American document. Agreeing with Foreign Minister Toyoda wholeheartedly, Ambassador Grew stated that the error must have been due to faulty handling of the papers in the State Department. Returning to the matter concerning the "fully subscribed" quotation, Ambassador Grew seemed to recall that it was Ambassador Nomura who had accepted the four principles unconditionally.

Foreign Minister Toyoda stated that if this misunderstanding had been caused by careless handling of certain papers by Japanese representatives, it would be necessary to make amends at a future date, since any action taken now would involve the danger of needlessly confusing the issue. Since Ambassador Nomura himself had caused a misunderstanding by submitting a personal note on September 4, 1941, Foreign Minister Toyoda believed it advisable to do nothing further at the present time.<sup>434</sup>

#### 109. Mr. Terasaki Interviews Ambassador Grew<sup>435</sup>

On the day following Foreign Minister Toyoda's conversation with the American Ambassador, Mr. Terasaki requested Ambassador Grew to discuss from an entirely personal and unofficial standpoint the American memorandum of October 2, 1941.<sup>436</sup>

<sup>434</sup>*Ibid.*

<sup>435</sup>"Memorandum by the Ambassador in Japan (Grew)", October 8, 1941, *S.D.*, II, 666-667.

<sup>436</sup>*Ibid.*

The American Ambassador said the memorandum, friendly in tone and helpful in substance, indicated the desire of the United States to make progress in the conversations. When asked by Mr. Terasaki what actions the United States wished Japan to take in order to reach a mutual agreement, Ambassador Grew replied that three major points which had caught his eye were: (1) the withdrawal of Japanese troops from China; (2) the application to the entire Pacific area of certain Japanese assurances which appeared limited to the southwest Pacific; and (3) Japanese claims for special privileges in China as a result of geographical propinquity to that country.

Pointing out that many prominent Japanese officials were comparing the Monroe Doctrine and the United States' relationship to Latin American countries with Japan's position in the Far East, Ambassador Grew emphasized that the two situations were not at all analogous. Since the American Ambassador and Mr. Terasaki could not agree on this point it was not pursued further.

Turning to America's desire for the withdrawal of Japanese troops from both China and French Indo-China, Mr. Terasaki asked if Japan must take action before a meeting between President Roosevelt and Prince Konoye took place. Explaining that he was not in a position to interpret the State Department's phraseology, Ambassador Grew nevertheless expressed his private opinion that in view of previous failures of Japan to live up to its promises his government desired to see concrete evidence of Japan's "manifest intentions" to withdraw its forces from occupied territories.

Ambassador Grew then reminded Mr. Terasaki that Secretary Hull desired that informal discussions relating to both Japanese and American proposals be held in Washington. Though Mr. Terasaki expressed surprise at this, Ambassador Grew said that he had conveyed this information to Foreign Minister Toyoda. If Japan were uncertain regarding any portion of the memorandum of October 2, 1941, Ambassador Grew suggested that Ambassador Nomura seek an interview with Secretary Hull.

Because Mr. Terasaki referred during the conversation to America's suggestion that Japan declare publicly its intention to withdraw its troops from China and French Indo-China, Ambassador Grew was certain that Japan thoroughly understood this point.<sup>437</sup>

#### **110. Tokyo Explains Background of Japanese-American Negotiations to Japanese Ambassador in Berlin**

In a message to the Japanese Ambassador in Berlin on October 8, 1941 Foreign Minister Toyoda summarized the background of the current Japanese negotiations with America. The Japanese-American informal conversations had been inaugurated during the administration of the second Konoye Cabinet, but a rupture had occurred when Japan felt it necessary to penetrate into French Indo-China in order to hasten the end of the China Incident, break the Anglo-American encirclement by joint defense, and procure essential materials. Although its action had been motivated solely by self defense, according to Japan, England and the United States had imposed an economic blockade upon Japan with the result that diplomatic relations had deteriorated and the internal situation existing in Japan had become extremely critical.<sup>438</sup>

When the war between Germany and Russia had become a protracted struggle, contrary to German expectations, the United States and England came to Russia's assistance. Commerce between Europe and Asia had been disrupted, and Japanese liaison with Germany and Italy had been severed.<sup>439</sup>

<sup>437</sup>*Ibid.*

<sup>438</sup>III, 250.

<sup>439</sup>*Ibid.*

Meanwhile, England and the United States had tightened their economic net about Japan, preventing the Japanese government from concluding its war with China. As a result Japan had attempted to negotiate with the United States so that hostilities with the Chinese could be terminated under satisfactory conditions and an era of co-prosperity could be established in East Asia during which time Japan's natural resources could be conserved for the future. By means of diplomatic negotiations Japan had intended to open the way for a compromise with the United States to ensure its own economic stability.

After concluding the Tripartite Pact, Japan had attempted to include Russia in the Japanese-German-Italian Pact, and by using German Ambassador Stahmer in negotiations between Tokyo and Moscow, to effect a solution to any problems in the north. Mr. Ott had also promised to work for an understanding between Japan and Soviet Russia.

Japan also had intended to guarantee goods from the South Seas to Germany and Italy in return for certain mechanical and technical assistance. However, unexpected events had occurred recently and at the present time Japan could conclude the China Incident promptly only by maintaining amicable relations with the United States.<sup>440</sup>

Since Germany as well as Japan recognized the need for preventing the United States from entering the European war, during the Matsuoka-Stahmer conversations, it promised to spare no effort to improve relations between the United States and Japan. In fact, the Tripartite Pact had been intended to establish universal peace by preventing the spread of the European war and restraining the United States from participating in it. Now, however, the European war affected all the countries of Europe; only the Pacific remained untouched. In conformity with the original spirit of the Tripartite Pact, therefore, Japan believed it advisable to investigate the causes of any problems existing between Japan and the United States in order to ensure harmony in the Pacific area.<sup>441</sup>

With this objective in view, Mr. Matsuoka's Cabinet had begun negotiations with Washington, and even after a new Cabinet had come into power, Prime Minister Konoye felt the need for continuing them. At the very moment when Tokyo and Washington had been arguing over the Japanese occupation of French Indo-China, Prime Minister Konoye had suggested that a conference between President Roosevelt and himself would establish the foundation for an understanding between the two governments.

Since the time of that proposal, conversations had been held for the purpose of exchanging opinions prior to the major meeting. On October 4, 1941 Japan received the American memorandum concerning the proposal for a leaders' conference which had been forwarded from its Embassy in Washington. The document was now under study by the Japanese Foreign Minister.

Current negotiations diverged in no way from the principles contained in the Tripartite Pact. Japan merely wished to conclude its hostilities with China through a basic treaty by which the United States would coerce the Chiang regime into allowing Japan to establish an area of co-prosperity in greater East Asia. To ensure economic stability and peace in the Pacific area Japan desired to prevent the expansion of the European war, and particularly, the United States' participation in it.<sup>442</sup>

<sup>440</sup>III, 251.

<sup>441</sup>III, 252.

<sup>442</sup>III, 253.

### 111. Ambassador Nomura Explains the American Attitude Toward the Japanese Proposals

On October 8, 1941 Ambassador Nomura advised Foreign Minister Toyoda of his personnel opinion regarding the American attitude toward the Japanese proposals.<sup>443</sup> According to the Japanese Ambassador, the American memorandum of October 2, 1941 made it apparent that the United States intended to base any further negotiations with Japan on the four original principles laid down during the first preliminary discussions. Since the United States believed it necessary, before settling the Pacific question, to achieve unanimity on the fundamental questions, previously explored by both nations in their unofficial talks, Ambassador Nomura was certain that the American government would not agree to a meeting between the leaders of the two countries until it was clearly determined that the four principles would be applied concretely to the problems of the Pacific area. Dissatisfied because Japan would not discuss these policies in detail, the United States demanded further clarification of Japanese views.<sup>444</sup>

Ambassador Nomura agreed with American officials that in Japan's proposals submitted on September 6, 1941 and in its subsequent explanation Japan had limited the scope of the previous informal conversations and had curtailed the guarantees concerning the aforementioned principles. Japan had not only refused to guarantee wholeheartedly that it would stop armed aggression, but it had limited the extent of commercial nondiscrimination. Using geographic propinquity as an excuse, Japan hoped to secure more favorable economic conditions for itself in China. Therefore, the question of garrisoning Japanese troops in China and French Indo-China remained a major obstacle in the negotiations. Moreover, a clearer explanation of Japan's obligations under the Tripartite Pact was requested by American officials.<sup>445</sup>

Since the United States firmly believed that any disagreement on the four basic principles would prevent the success of future discussions, it wished to obtain unanimity regarding their interpretation and then gradually turn to a discussion of matters relating to them. Because it had been made evident in the United States proposals of June 2, 1941 that the United States intended to retain those four principles as a basis for any negotiations, Ambassador Nomura felt that the Japanese proposals of September 25, 1941 were being disregarded. Nevertheless, the Japanese Ambassador advised that further discussions be held concerning the China Incident and the discontinuation of American activities designed to help Generalissimo Chiang Kai-shek.

Other matters in the latest Japanese proposal which needed clarification included the stipulation concerning the Nanking Treaty in the clause relating to the China Incident, joint mediation and the right of self-protection mentioned in the clause concerning the Japanese attitude toward the European war, and the question of eliminating the annex to the clause regarding commerce between the United States and Japan.<sup>446</sup>

Ambassador Nomura drew to Foreign Minister Toyoda's attention the fact that, during the conversations in Tokyo, Ambassador Grew had assumed that an understanding had already been reached by Ambassador Nomura with Secretary Hull on the four basic principles. But on April 16, 1941 when Secretary Hull first presented the four principles to Ambassador Nomura, the Japanese Ambassador had not felt authorized to accept such a proposal before receiving instructions from his government.

<sup>443</sup>III, 254.

<sup>444</sup>III, *Ibid.*

<sup>445</sup>III, 255.

<sup>446</sup>III, 256.

Although Ambassador Nomura had been careful not to give the impression that Japan would accept the principles, he nevertheless believed that because of their abstractness they would be applied with some elasticity by the United States. Since discussions of principles in any peace conference were often circumlocutory, Ambassador Nomura did not feel that his government should become particularly troubled over this aspect of the situation.<sup>447</sup>

## 112. Mr. Terasaki Calls on Mr. Dooman (October 9, 1941)

Although on the preceding day he had received Ambassador Grew's opinion concerning the American memorandum of October 2, 1941, Mr. Terasaki called upon Counselor Dooman to receive his personal observations regarding the same document.<sup>448</sup> Since Ambassador Grew had reported his conversation to the American Embassy, Mr. Dooman did not feel that he was in a position to elaborate further on this matter. Nevertheless, Mr. Terasaki insisted on summarizing his discussion with Ambassador Grew, continually emphasizing the American Ambassador's belief that the American memorandum was friendly in tone and helpful in substance.

Since the withdrawal of Japanese forces from China was a major point in the United States' memorandum, Mr. Terasaki asked whether Japan was expected to execute such a move before President Roosevelt and Prince Konoye conferred. Admitting that such an interpretation might be applied, Mr. Dooman pointed out that the American government hesitated to enter any formal negotiations as long as Japanese troops continued to exercise complete control over French Indo-China as though it were a Japanese colony. When Mr. Terasaki expressed ignorance of such a situation existing in French Indo-China, Mr. Dooman referred to the arrest of French and Chinese nationals, the seizure of private property, airfields and military barracks, and threats to seize the Customs.

Mr. Terasaki then turned the conversation to the Japanese formula for the application of equality throughout the southwest Pacific. Mr. Dooman believed that Japan did not intend to confine its policy of nondiscrimination solely to the southwest Pacific, and he did not feel that this issue should constitute any obstacle to peace negotiations. On the other hand, Mr. Terasaki agreed that Japan's explanations of its proposals were open to the very implications which Japan had desired to avoid.

Returning to the problem of recalling Japanese troops from China, Mr. Terasaki attempted to define his government's position by pointing out that Tokyo could not withdraw its forces until an agreement had been reached between Japan and China. As a demonstration of Japan's desire for peace, Mr. Dooman suggested that the Japanese government furnish a time schedule for the withdrawal of the troops or consider the establishment of a military police force by the Chinese government, with the assistance of foreign military experts, as a substitute for the Japanese troops which Japan proposed to station in Inner Mongolia and North China.<sup>449</sup>

## 113. Mr. Dooman Warns Mr. Terasaki Against New Japanese Troop Landings in French Indo-China.

Later that same day, learning that Japan was prepared to land 50,000 additional troops in Tonking, French Indo-China on or about October 15, 1941, Mr. Dooman returned Mr. Terasaki's call to warn him of the serious consequences which might follow such a move.<sup>450</sup> Mr. Dooman then reminded Mr. Terasaki that the situation created by the first Japanese landings in July, 1941 had ended the informal conversations then in progress between the two governments.

<sup>447</sup> III, 257.

<sup>448</sup> "Memorandum by the Counselor of Embassy in Japan (Dooman)", October 9, 1941, S.D., II, 667-669.

<sup>449</sup> *Ibid.*

<sup>450</sup> "Memorandum by the Counselor of Embassy in Japan (Dooman)", October 9, 1941, S.D., II, 669-670.

Stating that he was unaware of such a plan of the Japanese military force, Mr. Terasaki assured Mr. Dooman that he would immediately convey this information to Foreign Minister Toyoda.

#### 114. Hull-Nomura Conversation (October 9, 1941)

##### (a) *State Department's Report*<sup>451</sup>

After first expressing Japan's appreciation of the American attitude toward the visit of three requisitioned Japanese ships to the United States, Ambassador Nomura referred to the American memorandum of October 2, 1941. Following his recent instructions from Tokyo, Ambassador Nomura requested Secretary Hull to express his reactions to those points entailing a divergence of view between the two governments.

In Ambassador Nomura's opinion there were three main questions to be decided: (1) the relation of Japan and the United States to the European war; (2) the stationing of Japanese troops in certain areas of China; and (3) the application of the principle of commercial non-discrimination to the entire Pacific area.

At this point in the conversation Secretary Hull declared that America had been disturbed at the modifications and restrictions which the Japanese proposals imposed upon the broad program originally planned to ensure peace and stability throughout the entire Pacific. Although the principle of nondiscrimination in international trade had been intended to pertain to the entire Pacific area, Japan had greatly limited its practical application. Furthermore, because of its propinquity to China, Japan apparently intended to reserve special privileges for itself in that country.

Secretary Hull suggested that Mr. Hamilton and Mr. Ballantine meet with the Japanese Ambassador to clarify the aims of their respective governments. It was then agreed to have this meeting take place later in the afternoon.

Although Prince Konoye had informed Ambassador Grew in Tokyo that he personally subscribed in principle to Secretary Hull's four basic points for peace, Ambassador Nomura pointed out that certain problems, particularly in regard to China, remained to be solved. Since chaos would undoubtedly arise from the conflicting policies of the Kuomintang and the Communistic parties in China, the withdrawal of Japanese troops would endanger Tokyo's commerical enterprises there and place Japan itself in a dangerous position.

Ambassador Nomura did not respond when Secretary Hull asked if the Chinese government would accept the stationing of Japanese troops in its country. Secretary Hull believed that a sufficient number of Chinese troops might be trained to maintain order in their own country. From the United States' experience in Latin America, Secretary Hull continued, the stationing of any troops in a foreign country perpetuated a feeling of ill will. To stress his point further Secretary Hull referred to the situation existing in the United States after the Civil War when northern troops were retained in the southern states.

Ambassador Nomura answered that Japan was now at a political crossroad. Expressing only his own personal opinion, the Japanese Ambassador believed that the majority of the Japanese people supported the renewal of amicable relations with the United States, in spite of agitators within the government who were attempting to disrupt peaceful negotiations. Because war between Japan and the United States would be such a serious undertaking, Ambassador Nomura desired that everything possible be done to avert the possibility of conflict.

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<sup>451</sup>"Memorandum of a conversation", October 9, 1941, initialed by Mr. Joseph W. Ballantine, S.D., II, 670-672.

In the course of this discussion both Secretary Hull and Ambassador Nomura exchanged compliments concerning their mutual regard for the other's integrity and frankness of expression.<sup>452</sup>

(b) *Ambassador Nomura's Report*<sup>453</sup>

Ambassador Nomura reported that in accordance with his instructions he had called on Secretary Hull on the morning of October 9, 1941. In the discussion that followed concerning the proposals which had been brought up in the meeting held at the White House on September 3, 1941, Secretary Hull again proposed the extension of a nondiscriminatory policy throughout the entire Pacific area. He also said that geographical proximity could be interpreted in many ways.

Secretary Hull promised that Mr. Ballantine and other American officials would make a detailed report to the Japanese Ambassador that afternoon after the papers submitted by Ambassador Nomura had been carefully perused. Asking that the United States reconsider its attitude toward Japanese troops stationed in China, Ambassador Nomura reminded Secretary Hull of the critical political situation existing in certain parts of China which rendered military protection absolutely essential.

When the Japanese Ambassador turned the conversation to Prime Minister Konoye's adherence "in principle" to the four principles laid down by the American government, Secretary Hull immediately indicated that he was already aware of the Japanese attitude toward this matter.<sup>454</sup>

### 115. Japanese-American Conversation (October 9, 1941)

(a) *State Department's Report*<sup>455</sup>

By prearrangement, Mr. Hamilton, Mr. Ballantine and Mr. Schmidt called on the Japanese Ambassador at the Japanese Embassy on October 9, 1941 in an attempt to clarify questions raised by Ambassador Nomura during his conference with Secretary Hull earlier in the day. Although the American officials had expected the discussions to pertain to the United States' memorandum of October 2, 1941, the Japanese officials referred constantly to their government's proposals of September 6 and September 25, 1941.

According to Ambassador Nomura and his staff, which included Mr. Wakasugi, Mr. Okumura, Mr. Matsudaira and Mr. Obata, they desired to learn America's exact objections to their proposals of September 25, 1941. By way of reply, the American diplomats pointed out that the document of October 2, 1941 embodied the policies of the United States, and indicated the commitments it desired Japan to make. The American officials suggested that Japan compare its recently submitted proposals with those fundamental principles for peace clearly set forth by the United States during previous informal conversations and in numerous documents.

At this point in the conversation, Ambassador Nomura declared that the three questions causing a divergence in view between the two governments were: (1) The interpretation of the Tripartite Pact and the inalienable right of self-defense; (2) The application of the principle of commercial nondiscrimination; and (3) The problem of Japanese troops stationed in Chinese territory. In Ambassador Nomura's opinion, the only issue presenting any real difficulty was the removal of Japanese forces from China, and he was still convinced that in a meeting with President Roosevelt, Prime Minister Konoye would be able to present a satisfactory solution.

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<sup>452</sup> *Ibid.*

<sup>453</sup> III, 258.

<sup>454</sup> *Ibid.*

<sup>455</sup> "Memorandum of a conversation", October 9, 1941, initialed by Mr. Max Schmidt, S.D., II, 672-677.

Besides these three basic differences, Ambassador Nomura mentioned, as further complications in the negotiations, certain problems of phraseology and the question of bringing the American draft document of June 21, 1941 up to date. The American representatives interposed that because of the changing situation in the Pacific, Secretary Hull believed that revisions such as those suggested on September 10, 1941 should be incorporated into the existing proposals. However, these revisions would constitute no substantial change in the United States' attitude toward matters which had been tentatively agreed upon in the draft of June 21, 1941.

When Ambassador Nomura asked if his country's action toward Russia and its present activities in French Indo-China had affected Japanese-American relations, the American officials pointed out that the United States was interested in the establishment of peace throughout the entire Pacific. Furthermore, the American government was firmly convinced that the Japanese proposals of September 6, 1941 greatly restricted the broad-gauge principles proposed by the United States.

Ambassador Nomura then declared that his government was willing to interpret independently its obligations under the Tripartite Pact in conformity with the principle of peace in the Pacific. Reiterating Japan's desire to ascertain the exact position of the American government, Ambassador Nomura pointed to the necessity of reaching a workable agreement in the near future. At the same time, however, the Japanese Ambassador reminded the United States that since the Japanese people had suffered the sacrifices of four years of war, Tokyo must conclude an agreement advantageous to its people. In the opinion of the American representatives, Japan's greatest gain would be in following a progressive and constructive program in the Pacific.

While Admiral Nomura's staff appeared disappointed that Mr. Schmidt and his colleagues had avoided a point by point discussion of the Japanese proposals of September 6 and September 25, 1941, they nevertheless asserted that the aims of the American memorandum of October 2, 1941 had now been more clearly expressed. From remarks made by Ambassador Nomura to the other Japanese representatives, it appeared that a report would be sent to Tokyo stating that the Japanese government should either redraft its proposals or prepare a new document on the basis of additional consideration of the fundamental principles discussed by the two countries.<sup>456</sup>

(b) *Ambassador Nomura's Report*<sup>457</sup>

On the afternoon of October 9, 1941 Mr. Hamilton, accompanied by Mr. Ballantine and Mr. Schmidt, delivered a reply to Ambassador Nomura from Secretary Hull. Ambassador Nomura had received instructions to determine whether the United States was in agreement with Japan upon all the points in the negotiations except the evacuation of Japanese troops from China and Japan's adherence to the Tripartite Pact.<sup>458</sup>

When questioned by the Japanese Ambassador concerning their intentions, the American officials stated that the United States had explained its policies very clearly in the memorandum of October 2, 1941. Since America sought to promote in the Pacific a peace founded on the four basic principles, the Japanese aggression northward and southward, Japan's discriminatory commercial practices in the Pacific, the refusal to withdraw Japanese troops from China and adherence to the Tripartite Pact caused the United States to be disturbed concerning the future. Desirous of applying its four basic principles to the entire Pacific area, the United States saw no reason for using different principles in different areas of the Pacific.

<sup>456</sup> *Ibid.*

<sup>457</sup> III, 259.

<sup>458</sup> III, 245.

Turning the discussion to other points in the negotiations, Ambassador Nomura asked if the United States was satisfied with Japan's explanation of its policies other than those divergent views set forth in the American memorandum of October 2, 1941. The American officials answered that the basic attitude of the United States government on all questions was clearly outlined in its reply to the Japanese proposals, therefore nothing more need be added to clarify America's viewpoint. If a "meeting of minds" could be reached with regard to the interpretation of the four basic principles, the United States representatives appeared certain that all other questions would find a natural solution.

Ambassador Nomura reported that the American officials avoided giving any definite replies to his questions. However, they did remark that certain points in the June 21, 1941 American proposal might need revision, in view of subsequent changes in the world situation. However, the larger aspects of the existing problems remained the same. If Japan would reconsider its proposals of September 6, 1941 and submit a new document, the United States was ready to give it careful consideration.<sup>459</sup>

#### 116. Foreign Minister Toyoda Is Dissatisfied with Ambassador Nomura's Reports

On October 10, 1945 Foreign Minister Toyoda informed Ambassador Nomura of his belief that the negotiations had reached a decisive stage and declared that in order to bring about a definite understanding at this time, senseless procrastination must be eliminated from all future dealings. It was with this in mind that Foreign Minister Toyoda had asked Ambassador Nomura to clarify with the United States the points relative to the stationing of Japanese troops in China and the interpretation of the Tripartite Pact.<sup>460</sup>

Yet in spite of instructions sent from Tokyo, the Japanese Ambassador continued to send his own opinions rather than those of the American officials regarding the policies of the United States. Foreign Minister Toyoda stated emphatically that what he desired was the opinions of the American officials and no others.<sup>461</sup> From Ambassador Nomura's report of October 9, 1941,<sup>462</sup> Foreign Minister Toyoda had no way of knowing whether there were any chances for further conversations with Secretary Hull. Therefore, the Japanese Foreign Minister ordered Ambassador Nomura to submit immediately in detail the minutes of all conversations and to indicate the prospect of future negotiations. Furthermore, in any future conversations with Secretary Hull or President Roosevelt, Ambassador Nomura was to be accompanied by Minister Wakasugi or Mr. Iguchi.<sup>463</sup>

#### 117. Ambassador Nomura Replies to Foreign Minister Toyoda's Complaint

In reply to Foreign Minister Toyoda's complaint, Ambassador Nomura reported on October 10, 1941 that the American government demanded the maintenance of peace in the Pacific.<sup>464</sup> In the United States' opinion, Japan's policies were semi-pacific and semi-aggressive. Because the proposals of September 6, 1941, issued by the Japanese government, diverged from agreements reached in preparatory talks, the United States refused to continue negotiations or to clarify its own statements any further.

<sup>459</sup> III, 259.

<sup>460</sup> III, 260.

<sup>461</sup> Ibid.

<sup>462</sup> III, 258.

<sup>463</sup> III, 260.

<sup>464</sup> III, 261.

Ambassador Nomura believed that the United States would effect a compromise only in accordance with the lines set down in its memorandum of October 2, 1941. Unless such an agreement were achieved, the proposed conference between the leaders of Japan and the United States would never take place. Although the United States refused to make any further statements, it was willing to accept any future Japanese proposals meeting the specifications defined in the American memorandum of October 2, 1941.<sup>465</sup>

### 118. Grew-Toyoda Conversation (October 10, 1941)

#### (a) Ambassador Grew's Report<sup>466</sup>

In order to discuss the American memorandum of October 2, 1941, Ambassador Grew and Foreign Minister Toyoda met on the afternoon of October 10, 1941. Although the Japanese Foreign Minister had encountered difficulty in perceiving the point of the American memorandum, he determined that three main obstacles were impeding Japanese-American relations: (1) the maintenance of Japanese troops in China, (2) the respective attitudes of the United States and Japan to the war in Europe, and (3) equal opportunity in China.

In Foreign Minister Toyoda's opinion, if the United States had answered Ambassador Nomura's requests of October 3, 6 and 9, 1941 by stating definitely the commitment the United States wished Japan to make, the successful conclusion of an agreement would have been accelerated. Therefore, Foreign Minister Toyoda again requested that the United States clarify the commitments which Japan must make in order to actuate a rapprochement between the two countries.

Turning the conversation to the attitude of the Japanese press, Ambassador Grew expressed his disapproval of the criticism expressed in Japan's newspapers because of the apparent failure of the present conversations. After insisting that public opinion would be easy to control once the proposed meeting between Prince Konoye and President Roosevelt had been convened, Foreign Minister Toyoda assured Ambassador Grew that the Japanese government would make far reaching commitments during that meeting, though it could not take more definite action beforehand.

However, Ambassador Grew feared that the arrival of additional Japanese forces in French Indo-China was creating a delicate situation which could adversely affect the negotiations now being attempted. In reply, Foreign Minister Toyoda declared that he had already asked the War Minister to check the activities of the Japanese authorities in French Indo-China and to remedy any aggressive action there.

Because Ambassador Nomura was apparently under considerable strain, Tokyo was considering sending an experienced diplomat to assist the Japanese Ambassador in conducting the informal conversations at Washington. In the event that such an official were chosen, Foreign Minister Toyoda, stressing the necessity for expediting the progress of the conversations, asked if the American government would arrange a plane reservation from Manila to San Francisco. Ambassador Grew offered to transmit this inquiry to the United States.<sup>467</sup>

#### (b) Foreign Minister Toyoda's Report<sup>468</sup>

Wishing to secure a clear-cut proposal from the United States, Foreign Minister Toyoda asked Ambassador Grew to call on him during the afternoon of October 10, 1941. When giving a resume of this discussion to Ambassador Nomura, two days later, Foreign Minister Toyoda suggested that the Japanese Ambassador in the United States continue his efforts along the same lines.

<sup>465</sup>Ibid.

<sup>466</sup>"Memorandum by the Ambassador in Japan (Grew)", October 10, 1941, S.D., II, 677-679.

<sup>467</sup>Ibid.

<sup>468</sup>III, 262.

In discussing the American memorandum of October 2, 1941 to Ambassador Grew, Foreign Minister Toyoda explained that the Japanese government had expressed considerable difficulty in grasping its main points. However, Japan decided that the existing problem included the garrisoning of Japanese troops in China; the English, Japanese, and American attitude toward the European war; and finally commercial discrimination in China.

If the United States had any misgivings concerning Japan's attitude towards these three points, Foreign Minister Toyoda was anxious to answer any questions. Although Foreign Minister Toyoda desired to draw up a treaty covering those three points for adoption of both countries, he believed that the question of time excluded the possibility of exchanging further official notes and documents. At this point in the negotiations, only a conference between the leaders of both governments could effect a suitable solution.

When Ambassador Grew remarked that American public opinion must be considered carefully, Foreign Minister Toyoda replied that Japanese public opinion was an equally important factor. However, once the proposed leaders' conference was convened, the present tension of the Japanese people would be greatly relieved.

Foreign Minister Toyoda could not speak about further Japanese aggression in French Indo-China at this conference, because, as yet, the Japanese army had made no reply to the Foreign Office in regard to Ambassador Grew's statement concerning that move.<sup>469</sup>

It will be noted that Foreign Minister Toyoda did not inform Ambassador Nomura of the fact that he had discussed with Ambassador Grew the sending of another Japanese diplomat with the personal rank of Ambassador to assist the Japanese Ambassador in Washington.

#### 119. Tokyo Sends Instructions for Welles-Wakasugi Conference

On October 11, 1941 Minister Wakasugi advised his government that he would confer with Under Secretary of State Sumner Welles at 5:00 P.M. on October 13, 1941.<sup>470</sup> Therefore, on October 13, 1941 the Japanese Foreign Office issued instructions to Minister Wakasugi governing his forthcoming conversation with Mr. Welles.<sup>471</sup>

Pointing out that the situation in Japan was approaching a crisis and any adjustments of Japanese-American relations would have to be accomplished immediately, Foreign Minister Toyoda urged that Minister Wakasugi's conversation with Under Secretary of State Sumner Welles cover all the Japanese-American negotiations to date. First of all, however, the Japanese representative must determine if the United States disagreed with Japan on any other points except the three then under consideration. Japan was particularly interested in the exact demands of the United States in the proposal submitted on June 21, 1941. However, if the United States government refused to deliver a clear-cut counter-proposal, Japan desired that America draw up an entirely new tentative agreement without delay.<sup>472</sup>

Since circumstances would not permit even a moment's delay in the present negotiations, Foreign Minister Toyoda directed Minister Wakasugi to submit a rough outline of his conversation with Mr. Welles immediately after it had taken place, and later to give more complete details by cable.<sup>473</sup>

<sup>469</sup> Ibid.

<sup>470</sup> III, 263.

<sup>471</sup> III, 264-265.

<sup>472</sup> *Ibid.*

<sup>473</sup> III, 266.

## 120. Welles-Wakasugi Conversation (October 13, 1941)

(a) *Under Secretary Welles' Report*<sup>474</sup>

Since he had recently returned from an official visit to Japan, Mr. Wakasugi, the Minister-Counselor of the Japanese Embassy, called on Under Secretary of State Sumner Welles on October 13, 1941 to convey his personal impressions concerning Japan's internal situation. During his stay at Tokyo, Mr. Wakasugi had interviews with Prince Takamatsu, the brother and closest adviser of the Emperor; Prince Higashi Kuni; Prince Konoye; Marquis Kido, another close adviser of the Emperor; Foreign Minister Toyoda and high ranking army and navy officials.

Mentioning that there existed among this group a unanimous desire for a Japanese-American rapprochement, Mr. Wakasugi noted that the pro-Axis elements had become powerful, particularly among the younger members of Japan's armed forces. Therefore, although the policies of the Japanese government were supported by the controlling factions in the army and navy and by public opinion, unless the present conversations with the United States culminated in definite action, German propaganda agents at work in Japan would gain in power. Moreover, if the present Japanese Cabinet were to fall, as a result of a coup d'état, because of assassination or because it could see no hope of reaching an agreement with the United States, it would be replaced by military representatives, responsive solely to German pressure, and hopes for a Japanese-American settlement would vanish.

In order to reach a Japanese-American understanding without delay, Prince Konoye had suggested a meeting with President Roosevelt. The failure of the United States to take a definite stand in the matter had prevented the Japanese government from finding out what in reality were the desires of the United States in regard to an agreement.

Refuting Mr. Wakasugi's last statement, Mr. Welles insisted that, not only throughout innumerable conversations, but more specifically in the documents of June 21, 1941 and October 2, 1941, the United States had clearly established its position. Moreover, in the opinion of the American government, it was the Japanese proposals of September 6, 1941 which had raised an obstacle to a liberal agreement by the very principles upon which the rapprochement was to have been based. Furthermore, Mr. Welles reminded the Japanese Minister that Tokyo had undertaken military action in French Indo-China and to the north of the Empire, which seemed to belie the main purpose for which the reaching of an agreement was being sought.

Mr. Wakasugi revealed that Axis agents in Japan were spreading the rumor that America was delaying negotiations because it had no desire to reach any agreement with Tokyo. According to Under Secretary Welles, there were some in the United States who were attributing the same policy to Japan.

In answering Mr. Welles' criticism of the Japanese aggression in French Indo-China, Mr. Wakasugi stated that the action taken was analogous to the occupation of Iceland by the United States. Continuing his explanation, Mr. Wakasugi stated that the Japanese occupation of French Indo-China had been undertaken through an agreement with a government dominated by Germany, while the American occupation of Iceland had been effected through an agreement with Denmark, a country also dominated by Germany.

In order to rectify the Japanese Minister's erroneous conception of the United States' action in Iceland, Mr. Welles asserted that the United States had not dealt through Denmark, but directly with the free government of Iceland. Furthermore, the United States had been motivated by a justifiable fear of the dangerous results German occupation of that territory would have on American defense. On the other hand, French Indo-China had presented no threat to Tokyo.

<sup>474</sup>"Memorandum by the Under Secretary of State (Welles)", October 13, 1941, S.D., II, 680-686.

Returning to the discussion of the Japanese proposals of September 6, 1941, Mr. Wakasugi stated that the misunderstanding of certain terms in these proposals had arisen largely through the use of unfortunate phraseology. In attempting to clarify these terms the Japanese Minister said that Japan would commit itself to undertake no aggressive moves, either north or south of the Empire. However, if the Stalin government were to collapse and some other foreign power were to take over eastern Siberia, Japan would be forced to defend its own interests and those of Manchukuo. Furthermore, in regard to the policy of commercial nondiscrimination, Japan had every intention of applying that principle to China and the entire Pacific area.

Referring to the Tripartite Pact, Mr. Wakasugi asked that the United States agree to leave the interpretation of Japan's obligations to the discretion of Tokyo. Although admitting that any new Cabinet might decide on a different interpretation, at the same time Mr. Wakasugi insisted that only the present Japanese Cabinet would desire to maintain peace with the United States in the event that the United States entered the war against Germany. Mr. Welles promised to refer this question to Secretary Hull.

Through insisting that evacuation of Japanese troops in China could not be completed in a day, Mr. Wakasugi stated that the Japanese government was willing eventually to evacuate all its troops from the China area. Thinking that he misunderstood this statement, Mr. Welles asked Mr. Wakasugi to repeat his remarks. The Japanese representative again said that his country was willing to evacuate its troops from China.

The Japanese Minister then asked if the American government would insist on approving the peace terms proposed by Japan before they were submitted to China. Mr. Welles replied that in the event the United States agreed to mediate between Japan and China, he would not undertake the transmission of peace terms to the Chungking government unless such terms were just and conducive to the maintenance of a stable peace in the Pacific.

In answer to another question from Mr. Wakasugi, Mr. Welles stated that it would not be possible to reach a basis for an understanding on the other major principles without settling the China Incident.

Emphasizing once more the desire of the Japanese government and controlling officials of both the Japanese army and navy to conclude and implement a comprehensive agreement with the United States, Mr. Wakasugi felt that within twenty-four or forty-eight hours, Japan would reach a final decision on the basic questions involved.<sup>475</sup>

#### (b) *Mr. Wakasugi's Report*

In accordance with the instructions from Tokyo, a general summarization of the Welles-Wakasugi conversation held on October 13, 1941 was submitted immediately after the interview had taken place. It stated that the conversation had lasted more than two hours with the general tone remaining friendly and frank throughout. Since both President Roosevelt and Secretary Hull still desired the materialization of the proposed meeting between the leaders of the two governments, Under Secretary Welles informed Mr. Wakasugi that if the three major issues were settled, no further obstacles would stand in the way of the meeting.

Though Mr. Wakasugi had received the impression that Secretary Hull believed that one or two points would need clarification when preliminary arrangements were brought up-to-date, Mr. Welles, uncertain of the nature of these points, promised to obtain more information concerning them for the Japanese representative.

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<sup>475</sup> *Ibid.*

## THE "MAGIC" BACKGROUND OF PEARL HARBOR

After first assuring the American Under Secretary of State that his questions of the matter were purely personal and not influenced by either the Japanese government or Ambassador Nomura, Mr. Wakasugi stated that he felt the United States' attitude had been made clear in the proposals of June 21, 1941 and the oral statement of October 2, 1941. However, he wished to point out the difficulty, from a practical standpoint, of evacuating Japanese troops who had been stationed in China for a long period of years. Even if once determined upon, the execution of such a program would require months and even years. Moreover, since the removal of Japanese forces primarily concerned Japan and China, Mr. Wakasugi asked if the United States would be willing to leave the details of this removal to an agreement drawn up between Japan and China.

If Japan were sincere, Mr. Welles felt that the troop evacuation could be accomplished by such an agreement. At the same time, however, the United States had no intention of making further counter-proposals to the Japanese government since the American documents of June 21, 1941 and October 2, 1941 were the result of thorough and careful consideration and embodied all America's objectives. Nevertheless, Mr. Welles seemed confident that if the objectives contained in the American proposals were not changed, the United States would be willing to alter the phraseology of the proposals.

From the conversation, Mr. Wakasugi received the impression that the United States based its disapproval of the Japanese proposals of both September 6 and September 25, 1941 on the fact that they restricted considerably the terms decided upon in preliminary conversations.<sup>476</sup>

In a later message which gave a more complete account of his conversation with Under Secretary of State Welles, Mr. Wakasugi reported that the main stumbling block in Japanese-American negotiations lay in the fact that the United States' main interest was in an agreement upon basic principles, whereas Japan desired, first of all, to clarify outstanding differences and then discuss basic generalities.<sup>477</sup> Mr. Wakasugi pointed out that before the basic principles could be carried out to any satisfactory degree, they must be applicable to actual circumstance, otherwise they remained meaningless. But Under Secretary of State Welles stated that if basic principles were decided upon, they could be applied later to actual problems and individual agreements.

In requesting that the United States exhibit great statesmanship by overlooking these differences and concluding a peace desired by both countries, Mr. Wakasugi pointed out that in spite of the practically unanimous desire of the Japanese people for a northward or southward move, the Japanese government had been willing to lose public support in order to adjust relations with the United States.

While appreciating the efforts of the Japanese government and encouraged by the statesmanship exhibited, the United States was nevertheless disturbed by Japan's occupation of French Indo-China after the United States had submitted its proposals for peace on June 21, 1941. By way of explanation, Mr. Wakasugi stated that the occupation of French Indo-China, which had a direct bearing on the China Incident, was carried out with the full agreement of the French government because of Japan's need for security.<sup>478</sup>

### 121. Secret Arrangements Are Made for Terasaki-Wakasugi Telephone Conversation

In order that more complete information of this Welles-Wakasugi conversation might be forwarded without delay to the Japanese government, secret arrangements were made by

<sup>476</sup> III, 267.

<sup>477</sup> III, 268-269.

<sup>478</sup> *Ibid.*

Tokyo on October 13, 1941 for a telephone conversation to take place on October 13, 1941 between Mr. Terasaki, Chief of the American Bureau in the Foreign Office at Tokyo, and Mr. Wakasugi.<sup>479</sup> A secret code in the guise of innocuous phrases was to be used to reveal the attitude of the United States and the general outlook of the current negotiations.<sup>480</sup>

## 122. Ambassador Nomura Confers with Rear Admiral Turner (October 14, 1941)

At an interview with Rear Admiral Richard K. Turner on October 14, 1941, Ambassador Nomura received a more complete picture of the American attitude toward a conference between the leaders of the two governments.<sup>481</sup> Although aware of the various internal difficulties which Japan was facing, Admiral Turner asserted that the United States needed a definite promise from the Japanese government, or at least some definite preliminary agreement settling the major differences, before a conference could be held between President Roosevelt and Prime Minister Konoye. If such an understanding were not reached prior to this leaders' conference and, in the meantime, Japan advanced into Siberia, President Roosevelt would be placed in a difficult position.

Since Japan's statements indicated that it could decide matters pertaining to peace in the Pacific independently of any other nation, it seemed logical to Admiral Turner that the Japanese government could put aside its obligations under the Tripartite Pact in order to reach an understanding with the United States. Moreover, since it was impossible to withdraw troops all at once, a treaty could be arranged between Japan and China for a gradual withdrawal of Japanese troops from Chinese territory.<sup>482</sup>

## 123. American Sources Reveal Possibility of Early Russo-German Peace

During the same conversation with Admiral Turner on October 14, 1941 Ambassador Nomura learned of rumors ripe in America concerning the possibility of an early peace between Russia and Germany.<sup>483</sup> Expressing a viewpoint which Ambassador Nomura believed was held by the United States Navy, Admiral Turner said that if Germany should offer Great Britain peace terms at the termination of the Russo-German war, Britain would refuse to accept them.

On the other hand, other American sources revealed different attitudes on this point. In the opinion of Mr. Herbert Hoover, London would quite possibly accept a generous peace agreement offered by Germany in the event that Russia made a separate peace. Since the belief that the European war might soon be terminated was held principally by American isolationists, Ambassador Nomura did not believe that it would have too great an effect on the Japanese-American negotiations.

Mr. Frederick Moore, the legal adviser to the Japanese Embassy in Washington, disclosed that in a conversation with Senator Thomas, Secretary Hull had stated that he hoped the Japanese government would not mistake American patience for weakness. A Washington newspaper correspondent thought that although the cessation of hostilities between Russia and Germany seemed probable, the odds for war between Japan and the United States were still even.<sup>484</sup>

<sup>479</sup> III, 270.

<sup>480</sup> *Ibid.*

<sup>481</sup> III, 271.

<sup>482</sup> *Ibid.*

<sup>483</sup> III, 272.

<sup>484</sup> *Ibid.*

**124. Ambassador Grew Is Informed of German Pressure (October 15, 1941)**

During a private lunch with Mr. Amau, the Japanese Vice Minister for Foreign Affairs, on October 15, 1941, Ambassador Grew learned that Germany was urging Japan to issue a statement confirming former Foreign Minister Matsuoka's interpretation of the Tripartite Pact, whereby Japan would declare war against the United States should war occur between Germany and the United States.<sup>485</sup> Though no reply had been sent to Berlin, Tokyo was contemplating a declaration stating that the maintenance of peace in the Pacific had been envisioned in the Tripartite Pact, and with this in mind, Japanese obligations under this pact had been brought to the attention of the United States.

**125. Rear Admiral Turner Confers with Mr. Terasaki (October 15, 1941)**

Rear Admiral Turner, a trusted friend of Admiral Stark, invited Mr. Terasaki to his home on the evening of October 15, 1941.<sup>486</sup> In discussing the relation of the European war to the Pacific, Admiral Turner said that the United States must prevent Hitler from gaining control over Europe because of the direct threat that German domination could eventually constitute to Central and South America. In order to stop German aggression, therefore, America had adopted the policy of strengthening Great Britain's natural resources, including those in the Far East.

In its negotiations with the Japanese government, the United States felt a certain trepidation because it doubted whether the present Japanese Cabinet had the support of the Japanese army. If an agreement were reached between the two countries under these circumstances, the United States wondered if the Japanese military faction, finding itself at variance with these negotiations, might overthrow the present Japanese Cabinet. Nevertheless, Admiral Turner pointed to the urgency of drawing up a formula on the basis of an equal compromise between Tokyo and Washington. According to Ambassador Nomura, Admiral Turner did not think that the Japanese were ready to compromise.<sup>487</sup>

To broach Japanese-American negotiations while doubting the ability of the Japanese Cabinet to carry out its promises was, in Mr. Terasaki's opinion, putting the cart before the horse. When mutual doubts were rife, he felt the United States should exercise greater statesmanship. Calling the United States' attitude toward the Far East and the China Incident idealistic, Mr. Terasaki remarked that the talk of principles was a hobby among the rich. After stating that the United States appeared determined to force Japan to fight with China until both countries were exhausted, Mr. Terasaki insisted that the China Incident was not an oversimplified question of principle, but was a matter of life or death to Japan. Because of sheer necessity, the Japanese had been forced to adopt an aggressive attitude toward China. Although he did not propose to go into the history of Panamanian-American relations at this time, Mr. Terasaki did compare his country's actions in China to the realistic policy adopted by the United States in its dealings with Central America.

If Admiral Turner were aware of the temperament of the Japanese people, Mr. Terasaki felt sure that he would realize that when cornered the Japanese would lose all interest in life and death and would fight back furiously. Although poorer materially than America, the Japanese government would fight to the finish in a Japanese-American war. On the other hand, if America extended its hand in friendship, Japan and the United States could become lasting friends instead of permanent enemies.<sup>488</sup>

<sup>485</sup> "Memorandum by the Ambassador in Japan (Grew)", October 15, 1941, S.D., II, 686.

<sup>486</sup> III, 273.

<sup>487</sup> *Ibid.*

<sup>488</sup> III, 274.

## 126. Foreign Minister Toyoda Orders Further Welles-Wakasugi Conversations

Since Foreign Minister Toyoda believed that further conversations between Mr. Wakasugi and Under Secretary of State Welles might produce favorable results, on October 15, 1941 he requested the Japanese Minister to maintain close relations with the American Under Secretary of State.<sup>489</sup> During any further conversations, Mr. Wakasugi was instructed not to debate the United States' desire for establishing basic principles and Japan's insistence on clarifying outstanding differences, for if such arguments ensued during these conversations, Japan feared that the United States would insist on including the four basic principles in the text of any agreement.

Since these so-called basic principles were omitted from the preamble of the United States' proposals of June 21, 1941, Japan wished to take advantage of the American desire to use its June 21, 1941 proposals as a basis for definite negotiations, and thereby possibly continue the informal conversations without discussing the four basic principles independently.

According to Foreign Minister Toyoda, the Japanese proposals of September 25, 1941 had merely incorporated the Japanese proposals of September 16, 1941 into the American proposal of June 21, 1941. Since Japan did not feel that it should make any further concessions until America made another move, the Foreign Minister asked that Mr. Wakasugi discuss all the points of variance between the Japanese proposal and the American document of June 21, 1941 and report American intentions in these matters.

Because of the nature of these conversations, Japan further suggested that the matter be handled solely between Mr. Wakasugi and Under Secretary of State Welles. If sufficient progress were made, the matter could then be handled by Ambassador Nomura and Secretary Hull.<sup>490</sup>

## 127. Japanese Army Refuses To Evacuate Troops from China

In anticipation of Mr. Wakasugi's conference with Under Secretary of States Welles, scheduled for October 16, 1941, instructions had been received by the Japanese Military Attaché in Washington from army headquarters in Tokyo, advising the Japanese representatives not to yield an inch in their stand on the need for Japanese troops in China.<sup>491</sup> Apparently, the Japanese army authorities in Tokyo believed that not enough stress had been laid upon the Japanese attitude toward the garrisoning of troops in Chinese territory. In the future, special emphasis was to be placed upon this question.<sup>492</sup>

Replying to these instructions, Ambassador Nomura stated that both he and Colonel Iwasa understood the aims of their government and had repeatedly informed American officials of the Japanese stand regarding this matter. Ambassador Nomura declared that during the conversation with Mr. Welles on October 13, 1941, Minister Wakasugi had deliberately avoided going deeply into the subject since the purpose of the conference had been merely to clarify certain points in the United States' proposals and ascertain America's intentions. However, Ambassador Nomura assured Foreign Minister Toyoda that Mr. Wakasugi would bring up the matter in his discussion with the American Under Secretary on the following day. Ambassador Nomura guaranteed that the importance of this question would not be minimized in an attempt to effect a compromise.<sup>493</sup>

<sup>489</sup> III, 275.

<sup>490</sup> *Ibid.*

<sup>491</sup> III, 276.

<sup>492</sup> *Ibid.*

<sup>493</sup> *Ibid.*

The reader will recall that Mr. Welles reported on October 13, 1941 that Mr. Wakasugi had twice emphasized the willingness of his government to evacuate eventually all Japanese troops from China.<sup>494</sup> It is not possible to discover what Mr. Wakasugi reported concerning this aspect of the conversation on October 13, 1941, since only part 4 of his six-part message to Tokyo is available.

### 128. Japan Reminds the United States of Its Obligations Under the Tripartite Pact

Though both the German and Italian Ambassadors in Tokyo had been urging Foreign Minister Toyoda to inform them confidentially concerning Japanese-American negotiations, the Japanese Foreign Minister, in consideration of the nature of the negotiations, had declined to reveal the details of the conversation to the Axis representatives.<sup>495</sup>

Following German attacks on American merchant ships and the consequent movement for revising the United States' Neutrality Act, the German authorities demanded that the Japanese government inform President Roosevelt that further aggravation of America's relations with the Asiatic powers would inevitably result in a similar aggravation of diplomatic relations between Germany and Italy and the United States. This would provide reasons for Japan's assuming its obligations toward the Tripartite Pact, and, consequently, Japan might be forced to join the European war against the United States.

In view of Japan's negotiations with the United States, Foreign Minister Toyoda had postponed the submission of the message suggested by Berlin because he believed that its proper timing and wording should be carefully considered. Meanwhile, the German authorities were continually requesting that the Japanese government make its views concerning the Tripartite Pact known to the United States.<sup>496</sup>

The official Japanese message stated that Japan had repeatedly affirmed that the aim of the Tripartite Pact was to prevent the further extension of the European war. As a signer of the Tripartite Pact, Japan sincerely desired that German-American relations would not deteriorate further and that the prevailing tension would be alleviated immediately.<sup>497</sup>

### 129. The Konoye Cabinet Resigns

On October 16, 1941 the Japanese Cabinet headed by Prince Konoye resigned. Two days later a new Cabinet was formed under General Hideki Tojo as Prime Minister with Shigenori Toga as Minister for Foreign Affairs. On October 17, 1941 (October 16, Washington time) Foreign Minister Toyoda advised Ambassador Nomura that the Cabinet had reached a decision to resign as a body because of the differences among the Cabinet members.<sup>498</sup> One of the main divergencies of opinion had resulted from the question of evacuating Japanese troops from China. Nevertheless, negotiations with the United States would be continued by the new Japanese Cabinet along the lines already formulated.

After thanking Ambassador Nomura and his entire staff for their previous efforts, Foreign Minister Toyoda urged that they continue to work in unison and with a single purpose.<sup>499</sup>

<sup>494</sup> S.D., II, 685.

<sup>495</sup> III, 277.

<sup>496</sup> *Ibid.*

<sup>497</sup> III, 278.

<sup>498</sup> III, 279.

<sup>499</sup> *Ibid.*

### 130. Hull-Wakasugi-Welles Conversation (October 16 And October 17, 1941)

#### (a) *Secretary Hull's Report*<sup>500</sup>

By prearrangement Under Secretary of State Welles brought Japanese Minister Wakasugi to confer with Secretary Hull on both October 16 and October 17, 1941. In spite of certain elaborations on the documents which had been exchanged by the two governments during previous informal conversations, no further clarification of any of the proposals was actually accomplished.

Mr. Wakasugi was especially vague about the differences arising from the stationing of Japanese troops in China, nondiscrimination in commerce, and the Japanese interpretation of the Tripartite Pact. By way of emphasizing those Japanese proposals which he felt restricted the application of the peace principles, Secretary Hull expressed the desire of the United States that the policy of commercial nondiscrimination, as well as the limitation of Japanese aggression, be applicable to the entire Pacific area.

Mr. Wakasugi attempted, without success, to explain to Secretary Hull that the Tripartite Pact was an instrument of peace and therefore not aimed at the United States. Secretary Hull reminded the Japanese Minister that since the Tripartite Pact had been openly designed to keep the United States out of war with Germany the American people could hardly be expected to regard it as a harmless document.

Since this issue could not be settled, Mr. Wakasugi discussed next the need for retaining Japanese troops in China. Secretary Hull reminded Minister Wakasugi that as a result of Japanese penetration Tokyo had obtained many monopolies in China which it was obviously unwilling to give up. If the friendship of China were to be acquired, Japan would have to curtail its aggressive policies. Phases affecting the Chinese situation in general which had already been discussed by Ambassador Nomura and Secretary Hull were again reviewed at this time.

In attempting to clarify the American requirements for a broad basic commercial policy in the Pacific, Secretary Hull pointed to the United States' trade agreement with Argentina which had been signed at Buenos Aires on October 14, 1941. Under this pact Japan and all other countries were given equal access to the markets of Argentina. In discussions with England and with the British Dominions, the United States was attempting to eliminate any imperial preferences and other discriminations including the narrow policy of bilateral trade.

Although Secretary Hull did not think the conversation with Mr. Wakasugi had produced any definite results, he felt that the Japanese representative had been given an opportunity to voice his country's opinions on certain matters. The Secretary of State believed that the Japanese government had fallen back from the stand it had once taken just before the occupation of French Indo-China, and that very little could be expected from future conversations.<sup>501</sup>

#### (b) *Mr. Wakasugi's Report*<sup>502</sup>

At 5:00 P.M. on October 16, 1941 Minister Wakasugi, Secretary Hull and Under Secretary Welles conferred on the Japanese diplomatic situation. Since the United States had apparently already received the news that Prime Minister Konoye's Cabinet was resigning, Secretary Hull was particularly anxious to make inquiries concerning the attitude of the new Japanese Cabinet toward negotiations with America.

<sup>500</sup><sup>14</sup>"Memorandum by the Secretary of State", October 16 and 17, 1941, S.D., II, 687-689.

<sup>501</sup>*Ibid.*

<sup>502</sup>III, 280.

## THE "MAGIC" BACKGROUND OF PEARL HARBOR

Since no detailed news had reached the Japanese Embassy in Washington, Minister Wakasugi was forced to base his remarks on the public announcement made in regard to the Cabinet's resignation. However, he pointed out that, regardless of the type of Cabinet now installed, Japanese-American relations must take a definite stand. In the face of American opposition the Japanese people could not continue on a policy of indecision; public opinion demanded that the Japanese government take a definite stand, whether to the right or to the left.

If no unanimous decision could be reached between the two nations, particularly in regard to the China Incident, Mr. Wakasugi feared for the future. Therefore, the Japanese Minister was most anxious to discover some points of agreement between the American proposal of June 21, 1941 and the Japanese proposal of September 25, 1941.<sup>503</sup>

After recounting the substance of former conversations for half an hour, Secretary Hull insisted that the United States had no intention of following a policy of procrastination. But although anxious to establish peaceful and normal political relations with Japan, the United States could not stand by and approve any attempts of the Japanese to set up a new regime in the Far East similar to the new order established in Europe by Adolf Hitler.

Because of the United States' determination to base its actions upon the policy of nondiscrimination and freedom of the seas, it was opposed to all militaristic policies. Therefore, the United States found it difficult to understand Japan's professed desire to maintain peace while carrying on a military invasion at the same time. In view of the many military expansionists among influential Japanese people, Secretary Hull doubted if it were possible for the Japanese government to cooperate in peaceful measures.

In reply, Mr. Wakasugi agreed that a certain faction in Japan advocated expansion to the north or south. However, the Japanese representative insisted that only because of economic pressure, applied by foreign nations, had Japan been forced to become aggressive in order to maintain its national security and guarantee the very existence of its people. The mere desire for self-preservation demanded that Japan secure necessary materials.<sup>504</sup> Unless the United States attempted to understand Japan's position and exhibited a friendly attitude by lifting the economic restrictions placed upon Japan, the Japanese government would be forced to continue its military moves and the situation would grow continually worse.

In order to make his previous statements clearer to Mr. Wakasugi, Mr. Welles urged Secretary Hull to comment further on the American objectives. Secretary Hull then reiterated that the United States' present actions were motivated by the desire to defeat Hitlerism, abolish all militarism and, finally, bring about an equality of opportunity throughout China and the entire Pacific area. By his remarks, Secretary Hull exhibited full understanding of Japan's position with respect to the Tripartite Pact. However, he declined to discuss fully the problem of establishing peace between Japan and China because he advocated non-intervention in the internal affairs of other nations.

Mr. Hull suggested, instead, that Mr. Wakasugi discuss the Chinese problem directly with Chinese officials. In view of the present situation, however, Mr. Wakasugi did not feel free to discuss the problem with either Ambassador Hu Shih or Mr. Soong Tse-Wen, with whom he was well acquainted.<sup>505</sup>

Continuing the discussion of the Chinese problem, Mr. Wakasugi emphasized the difficulty of evacuating Japanese troops from China because of the dangerous activities of Communist

<sup>503</sup> *Ibid.*

<sup>504</sup> III, 281.

<sup>505</sup> III, 282.

forces in the north. Believing it necessary to keep a certain number of Japanese troops stationed in China indefinitely, and describing the Communists as a "cancerous growth on the development of China", Mr. Wakasugi explained that in order to protect the lives, property and commercial interests of both Japanese and foreigners, troops must be garrisoned there. Furthermore, since the Chinese were most interested in the safety of their lives and their livelihood, the retention of Japanese troops served this purpose.

Apparently, misinformation had led President Roosevelt to think that the Chinese Communist Party was engaged merely in educational activities. Actually, the Communist faction was attempting to destroy Chinese society and industry at the very roots. Therefore, the Chinese did not care in whose hands the maintenance of peace remained as long as the lives of the Chinese people were protected. To these remarks Secretary Hull countered that the United States had already found it more profitable to practice the "Good Neighbor Policy" than to garrison troops in another country. However, anxious to end the discussion of this matter, Secretary Hull again suggested that the problem be taken up by the Japanese and Chinese representatives.

Secretary Hull apparently had no desire to discuss any other problems outside of the three already mentioned. Under Secretary of State Welles then explained to Secretary Hull the desire of Minister Wakasugi to discuss both the differences and the points of mutual agreement in the Japanese proposals. To accomplish this end, Secretary Hull suggested that the officials concerned meet and work out the details. But reminding the American Secretary of State of the unproductive meetings held previously by American and Japanese officials, Mr. Wakasugi insisted that the situation did not permit further procrastination. Therefore, at this time the Japanese government wished to confine its discussions to important questions only.<sup>506</sup>

### 131. Prince Konoye Bids Farewell to Ambassador Grew (October 17, 1941)

Mr. Ushiba, Prince Konoye's private secretary, called at Mr. Dooman's home early on the morning of October 17, 1941 with a private letter from Prince Konoye to Ambassador Grew.<sup>507</sup>

Expressing regret in his message to Mr. Grew for the internal political situation in Japan which had led to his resignation, at the same time Prince Konoye assured the American Ambassador that the new Cabinet would exert every effort to conclude successfully a rapprochement between the two countries. Furthermore, the retiring Japanese Prime Minister promised his own personal assistance to the incoming Japanese government.<sup>508</sup>

After Mr. Dooman had read the message, Mr. Ushiba made an oral statement pertaining largely to the status of the new Japanese government. Because Secretary Hull's memorandum of October 2, 1941 had been so great a disappointment to the Konoye Cabinet, it had been felt that the present conversations could never be concluded successfully. In view, then, of the internal situation in Japan, Prince Konoye had decided to resign.

Although it seemed at first inevitable that the next Cabinet would consist largely of Japanese extremists, Prince Konoye through intensive efforts had succeeded in obtaining a Cabinet which desired to continue the conversations with the United States. However, since no civilian statesman could expect the cooperation of Japanese militarists, the new Japanese Prime Minister was necessarily an army officer and the Cabinet was composed principally of military men.

<sup>506</sup> III, 283

<sup>507</sup> "Memorandum by the Counselor of Embassy in Japan (Dooman)", October 17, 1941, S.D., II 689-691.

<sup>508</sup> "The retiring Japanese Prime Minister (Prince Konoye) to the American Ambassador in Japan (Grew)", October 16, 1941, S.D., II, 691-692.

While out of the government, Prince Konoye still intended to direct his influence toward the achievement of Japanese-American friendship. Mr. Dooman then expressed his regret that Prince Konoye had felt it necessary to resign while the conversations were still in progress at Washington.

When the discussion turned to Japanese leadership, Mr. Dooman mentioned Prince Yamagata as a man capable of unifying Japan's army. Agreeing with this, Mr. Ushiba also believed that General Umedzu, Chief of the Kwantung Army, unlike General Sugiyama, would be able to exert great influence when the need for it arose.<sup>509</sup>

In answer to Prince Konoye's personal letter, Ambassador Grew offered his appreciation for the retiring Prime Minister's assurances regarding the aims of the new Japanese Cabinet.<sup>510</sup> After thanking Prince Konoye for his desire to cooperate with the new Japanese government, Ambassador Grew promised to continue his own efforts toward attaining a successful conclusion of the conversations between Japan and the United States.<sup>511</sup>

### 132. Hull-Wakasugi-Welles Conversation (October 17, 1941)

#### (a) *Secretary Hull's Report*

Secretary Hull did not write a separate report of this conversation with Minister Wakasugi, but instead summarized the conversations of October 16 and October 17, 1941 in one report.<sup>512</sup>

#### (b) *Mr. Wakasugi's Report*

In keeping with his instructions from Prince Konoye's Cabinet, Mr. Wakasugi conversed with Secretary Hull and Under Secretary of State Welles on October 17, 1941. Although neither side was to be committed officially by the remarks made during this conversation, in view of the fact that the Japanese Embassy in Washington had not yet received instructions from the new Cabinet, Mr. Wakasugi did not wish to delay a discussion of the three points involved in the Japanese-American negotiations.

After agreeing that the conversation was entirely off-the-record, Secretary Hull inquired concerning the outstanding points in the Japanese and American proposals. Mr. Wakasugi read those paragraphs from the Japanese proposal of September 25, 1941 and the United States' proposal of June 21, 1941 pertaining to the definition of self-defense under the terms of the Tripartite Pact. Since the Japanese proposals had made the right of self-defense a mutual one, Mr. Wakasugi did not think there should be any problem involved.

Pointing to the persistent rumors in Japan that the purpose of the Tripartite Pact had been to prevent the United States from entering the war, Mr. Hull remarked that if the United States, which had no intention of military aggression against any nation, should be forced to enter the European war in self-defense, the resulting action of the Japanese government would be of grave concern.

Mr. Wakasugi replied that the "interpretation of the right of self-defense" was governed by the intentions of the country invoking its use. Therefore, Japan would refrain from fulfilling its obligations under the Tripartite Pact depending upon the intentions of the United States government. In line with this reasoning the Japanese government felt that it was obvious that its actions stemmed from its desire for self-preservation and that the application of any phrase in its proposal would be based on this desire. By the term "self-preservation" Japan implied that it alone would determine the means of ensuring self-preservation independently of any

<sup>509</sup> S.D., II, 689-691.

<sup>510</sup> "The American Ambassador in Japan (Grew) to the retiring Japanese Prime Minister (Prince Konoye)", October 17, 1941, S.D., II, 692.

<sup>511</sup> *Ibid.*

<sup>512</sup> See S.D., II, 687-689.

foreign country whether it be Great Britain, the United States or Germany; consequently, from the Japanese viewpoint no other implications or interpretations could be given to either the phrase "self-defense" or "self-preservation".

In Mr. Terasaki's opinion, it was a self-evident fact that a political agreement could not limit the signers to political commitments against a third country. In view of the Imperial Rescript published when Japan signed the Tripartite Pact, it was obvious that in Japan's opinion the agreement's real mission was a contribution to world peace and not an aid to aggression and aggrandizement.

Although he listened carefully to Mr. Wakasugi's detailed explanation, Secretary Hull apparently suspected that the Tripartite Pact could be interpreted to suit the needs or aims of any Japanese Cabinet in power at the time. Aware of Secretary Hull's fears, Mr. Wakasugi remarked that when viewed through the eyes of suspicion, even the so-called defensive measures of the United States were questionable. In concluding the discussion of this point, both the American and Japanese representatives agreed that careful study of the problem should continue.

Because Secretary Hull was mainly interested in commercial nondiscrimination, the conversation then turned to that problem. Since the assumption of his post many years ago, Secretary Hull had taken great pride in the materialization of the nondiscriminatory policy in trade matters. Particularly proud of the recently signed trade agreement with Argentina and the prevention of the self-interested British appeasement policy in Central and South America, Secretary Hull was certain of the success of such a program in the Pacific. However, unless the principle was applied to the entire Pacific, including China, the contribution it would make toward peace would be negligible.

It was Secretary Hull's sincere belief that world peace could be more easily attained through the adjustment of trade relations than through the settlement of political problems. Because of Japan's geographical position, its race and business ability, Japan would undoubtedly receive concrete and positive advantages from the adoption and application of this basic policy in the Far East.

Admitting that these principles were theoretically advantageous, Mr. Wakasugi stated that each individual nation must apply them in different ways in order to survive. The United States continued to measure the requirements of other countries by its own resources, despite the fact that the position of lesser countries differed greatly from that of the United States. Occupying only a very small corner of the Far East and engrossed for four years with the China Incident, Japan was forced to cope with a number of circumstances peculiar to itself.

For obvious and unavoidable reasons Japan had established various systems in China in order to cope with the temporary conditions of occupation. Therefore, even if Japan agreed to comply with the basic principles advanced by the United States, from a practical and actual standpoint it would be impossible to put them into effect overnight. Although Japan desired to apply the United States' principles at the conclusion of the war, it was not in the realm of practicality even to attempt such an application when the whole world was in a chaotic condition.

Mr. Wakasugi suggested, therefore, that the two countries discuss matters which Japan was capable of carrying out at the present time. The actual problems should be worked out as much as possible in order that joint and cooperative action could be taken at the first opportunity.

Although recognizing Japan's internal position and circumstances, Secretary Hull commented upon the United States' own domestic conditions. American businessmen in China, whose interest had been curtailed because of the monopolistic attitude of Japan in Chinese trade, were voicing complaints which the United States could not neglect. Returning again to a discussion of fundamental issues, Secretary Hull then asked that Japan accept the United States' basic principles.

In reply to a question from Secretary Hull, Mr. Wakasugi discussed conditions in Japan. Because of the general public opinion in Japan, Mr. Wakasugi explained that the Japanese government was forced to take immediate and decisive action either to the right or left. Nevertheless, because of the sensitiveness of the Japanese people, even the slightest gesture on the part of the United States toward accepting an understanding would immediately relieve the existing tension. If even minor matters were settled, the situation would improve; then, as time went on an agreement could be reached on the more weighty items.

With this goal in mind, Mr. Wakasugi suggested that the United States release the *Itukusima Maru* and the *Syoyo Maru*, which were anchored at San Francisco because the money to pay for fuel had been frozen. Under Secretary of State Welles took down the names of these vessels and other pertinent facts and promised to take the matter up with the bureaus concerned.<sup>513</sup>

<sup>513</sup> III, 284.

## OUTLINE OF PART B\*

### Japanese Intelligence in Diplomatic Messages

- (a) *Reports from the United States*
- (b) *Reports from the Panama Canal*
- (c) *Reports from the Philippine Islands*
- (d) *Reports from the Hawaiian Islands*
- (e) *Reports from South America*
- (f) *Reports from Capetown, South Africa*
- (g) *Reports from Vladivostok, Russia*

### PART B—JAPANESE INTELLIGENCE IN DIPLOMATIC MESSAGES

Continuing to use diplomatic channels for the transmission of intelligence concerning American merchant ships and men-of-war during the period from August 16, 1941 to October 17, 1941, Japanese officials in Tokyo received an increasing number of such dispatches from the United States and South America, the Philippines and Hawaiian Islands.

- (a) *Reports from the United States*

#### 133. Japan Learns that American Oil Is Being Transported to Russia

Consul Kenji Nakauchi in Hollywood, California reported on August 16, 1941 that the *St. Claire*, after loading 95,000 barrels of aviation gasoline, had sailed from Los Angeles for Vladivostok, and was scheduled to rendezvous at some point in the Pacific with the *Fitzsimmons* and three other American vessels, all carrying similar cargo. According to rumor, a number of United States destroyers on maneuvers were also bound for Vladivostok,<sup>514</sup> and a Japanese spy in Seattle reported that the English warship, *Warspite*, had entered the port of Bremerton about August 13 or 14, 1941.<sup>515</sup>

It was disclosed on August 21, 1941 that the Russian ship, *Vladimir Mayskovsky*, had arrived at Seattle, and after being repaired, would move to California to load freight for Vladivostok. The *Minsk* was reported to have left Seattle harbor, although its destination was unknown, and the *Patrovsuky* was still in dry dock.<sup>516</sup>

On the same day Tokyo informed Berlin that though America was apparently transporting oil to Russia, using American, Russian, and neutral ships, and there was a possibility that several hundred planes had already been transported, up to the present time not one American vessel had entered the port of Vladivostok. Although both the Russian Ambassador in Tokyo and the American government, through Ambassador Nomura, had been warned by Japan concerning the extension of a third power's military movements to East Asia, Japan believed that it was impossible to effect any actual restraint through such steps.<sup>517</sup>

\*See TABLE OF CONTENTS for a detailed listing of topics discussed in Part B.

<sup>514</sup> III, 285.

<sup>515</sup> III, 286.

<sup>516</sup> III, 287.

<sup>517</sup> III, 288.

Consul Yoshio Muto in San Francisco on August 26, 1941 advised Tokyo that the Russian freighter, *Yakut*, had left port August 24, 1941 loaded with gasoline, shoes, socks, and small arms. Confirming the arrival at San Francisco of the Russian freighter *Minsk* the report also listed the Russian tanker *Dombas* as having arrived in port from Los Angeles.<sup>518</sup>

#### 134. Japan Learns of Shipment of American Planes To Russia

Consul Jiseburo Sato, Japanese Intelligence agent at Seattle, reported on August 18, 1941 that a group of large planes was being sent from the United States to Alaska, and planes already in Alaska were probably destined to supply Soviet Russia. Since several two-motored medium sized planes en route to Alaska were marked with the insignia of the United States Army, he surmised that they were probably not intended to be sent to Russia.<sup>519</sup>

#### 135. American Aid to Russia Is Viewed as Threat to Japan

Japan, considerably concerned over these reports of American aid to Russia, learned from Rome that the United States had recently made representations to the Russian government to permit the sending of American naval advisers to Vladivostok. Since American military establishments in Russia would be a threat against Japan, the Japanese Ambassador in Rome advised his government to make a thorough investigation to ensure that they were not established, although the Russian authorities had apparently not yet permitted nor would permit such action.<sup>520</sup>

The Japanese Foreign Minister informed Ambassador Nomura on August 28, 1941 that he had directed the Japanese Ambassador in Moscow to warn Russia that should supplies be exported from the United States to Russia through Japanese waters, Japan's position would become extremely delicate. Foreign Minister Toyoda remarked that, according to recent intelligence, seven American, Russian, and neutral ships were transporting airplane gasoline for the aid of Russia. The Russian government was urged by Japan to consider this development with extreme caution, not only from the legal viewpoint of international law but from the standpoint of the general world situation.<sup>521</sup>

To prevent the spreading of the European war into the Far East, Russia was urged to consider the Japanese-Russian agreement and the maintenance of the excellent relationship between the two countries. In the event that the United States sent its ships through Japanese waters, the effect upon public opinion within Japan, as well as the reactions of Germany and Italy, would "indeed be terrible in the extreme". With regard to the importation of American goods, Japan insisted that Russia give particular attention to the routes over which imports were received.<sup>522</sup>

Meanwhile, Japanese officials on the west coast of the United States continued their intelligence reports on the movements of American shipping. In addition to the departure on September 8, 1941 for Vladivostok of a vessel bearing 80,000 barrels of aviation gasoline, Consul Yoshio Muto in San Francisco also notified Japan that four American tankers of the General Petroleum Company were to be dispatched on the direct shipping route to Vladivostok.<sup>523</sup>

<sup>518</sup> III, 289.

<sup>519</sup> III, 290.

<sup>520</sup> III, 291.

<sup>521</sup> III, 292.

<sup>522</sup> III, 293.

<sup>523</sup> III, 294.

### **136. Japan Attempts to Expand Its Naval Intelligence Activities**

On September 2, 1941 it became apparent to Tokyo that the expansion of Japanese naval intelligence activities in both North and South America was necessary. Based on a request from naval authorities in Japan, Ambassador Nomura was to insist that a member of his staff go to Hawaii in the capacity of a courier, though in the light of Japanese-American relations the selection of an opportune moment for the presentation of this request to the American government was left to his discretion.<sup>524</sup>

Ambassador Nomura replied that inasmuch as Courier Kuga was returning to Japan by way of the United States, having booked passage on the *President Taylor* sailing from San Francisco on September 6, 1941, the dispatching of a courier to Hawaii was no longer necessary.<sup>525</sup>

### **137. Japanese Agents Note American Army and Air Group Activities**

Through Consul Sato at Seattle, the statements made by the president of the Boeing Company to a Senate investigating committee were relayed to Tokyo on September 4, 1941. According to the report, the lack of progress was because of the changes in design and the unprecedented expansion of the plant. Although the production of American Army planes was four months behind in schedule, it was expected that this would be caught up by the end of the year.<sup>526</sup>

Furthermore, Lt. General DeWitt, 4th Army Commander, had announced that his army would be increased from 90,000 to 120,000 men. Barracks capable of accommodating 30,000 men were being constructed along the coast, and a mechanized division of 10,000 men was to be located at Santa Maria. The locations of newly organized divisions were listed as Meadowford, West Yellowston, Fort Huachuca and Marysville.<sup>527</sup>

Reported also in an intelligence dispatch of September 4, 1941 was the movement on August 23 of the 39th Bombardment Group, the 89th Observation Squadron, and the 310th Signal Company from Spokane to Louisiana to take part in the September maneuvers. The 54th Bombardment Group would receive either Republics or twin-motored Lockheed planes.<sup>528</sup>

### **138. Japan Watches the Activities of a Russian Military Commission in the United States**

Reporting to Japanese intelligence headquarters in Washington, Consul (Lt. Comdr.) Jisaburo Sato at Seattle wired that two Russian planes, arriving at the Naval airfield at Sand Point on September 4, 1941, had brought members of a Russian commission to confer with American authorities concerning aid to Russia.<sup>529</sup> This was apparently the Russian Military Commission which on September 2, 1941 had inspected the B-19 heavy bombers at March Field, and on September 3, 1941 had visited various airplane factories at Los Angeles.<sup>530</sup>

Ambassador Nomura requested Japanese agents in San Francisco, Los Angeles, and Seattle to investigate the possibility of the Russian Military Commission's flying American planes to Russia. He also asked that intelligence be secured concerning the eventual transfer of a considerable American bombing force to the Siberian area.<sup>531</sup>

<sup>524</sup> III, 295.

<sup>525</sup> III, 296.

<sup>526</sup> III, 297.

<sup>527</sup> III, *Ibid.*

<sup>528</sup> III, 298.

<sup>529</sup> III, 299.

<sup>530</sup> III, 300.

<sup>531</sup> III, 301.

In accordance with Ambassador Nomura's request to report concerning the Russian Military Commission, Consul Sato informed Tokyo on September 22, 1941 that two Russian hydroplanes, bearing ten members of the commission, had left for Moscow on September 19, 1941, but that the remaining thirty-seven members were to stay in the United States to study the production of airplanes.<sup>532</sup> Nineteen of the thirty-seven members remaining in the United States were receiving training in bomber operations at Spokane, Washington, while the others were staying in Washington and Los Angeles.<sup>533</sup>

### 139. Japanese Consuls Report on West Coast Shipping

Illustrating the close surveillance of American, Russian, and neutral ships by Japanese agents on the American west coast, Consul Muto, on September 8, 1941, informed Tokyo that the Russian freighter, the *Minsk*, loaded with 8,000 drums of aviation oil, airplane engines, machine guns, ammunition, snow plows and other articles had sailed from San Francisco on September 6, 1941.<sup>534</sup>

On September 6, 1941 Japanese officials in Seattle, attempting to verify the presence of the *Vladimir Maykoysky* and the *Deabrint* noted that four vessels were in port.<sup>535</sup> In a dispatch transmitted September 18, 1941 the Japanese Consul reported that the Russian freighter *Mijinski*, from Vladivostok, had entered San Francisco on September 17, 1941 and that the American tanker, *St. Claire*, returning from Vladivostok, was expected to arrive on September 19, 1941<sup>536</sup>

Although Consul Muto in San Francisco reported on September 18, 1941 that the *Warspite* had entered port there from Bremerton,<sup>537</sup> on September 20, 1941 Consul Sato in Seattle informed Tokyo that repair work was continuing on the *Warspite* at Bremerton. One Saratoga-class aircraft carrier and another vessel which appeared to be a cruiser were also in port, but a ship of the New Mexico class, previously reported there had departed.<sup>538</sup> The arrival of one Oklahoma-class battleship at San Francisco was announced by Consul Muto at San Francisco on October 2, 1941, and a report that the Hunters Point shipyard would be taken over by the United States Navy was sent to Japanese officials in Washington.<sup>539</sup>

On October 16, 1941 Consul Muto declared that the Russian freighter *Mijinski* was docking, that the *Igarka* was three days out of New York, that the *Nantes* was seven days from Vladivostok, and the *Michulin* was ten or twelve days from Vladivostok. The *Nantes* was loaded with wheat, 20,000 barrels of fuel oil, and machine guns and tanks.<sup>540</sup> The Russian ship, *Kiev*, equipped with a 500-watt radio for the reception of orders and war news from Moscow, was reported, on October 12, 1941, to be loading raw materials at Los Angeles before proceeding to Vladivostok.<sup>541</sup>

<sup>532</sup> III, 302.

<sup>533</sup> III, 303.

<sup>534</sup> III, 304-305.

<sup>535</sup> III, 306.

<sup>536</sup> III, 307.

<sup>537</sup> III, 308.

<sup>538</sup> III, 309.

<sup>539</sup> III, 310.

<sup>540</sup> III, 311.

<sup>541</sup> III, 312.

#### **140. Foreign Minister Toyoda Sends New Instructions Concerning Naval Intelligence Reports**

To facilitate the making of reports on the movements of American warships, Foreign Minister Teijiro Toyoda on October 16, 1941 directed the Japanese Consul in Seattle to make routine reports once every ten days, in case there were no great changes in the movements and basing of warships. Special reports were to be made immediately on such occasions as (a) the arrival or departure of American flagships of fleet or scouting force; (b) the arrival or departure of more than ten vessels of any type; (c) the arrival or departure of warships of other countries than the United States; and (d) the inauguration of patrolling by naval planes.<sup>542</sup>

##### *(b) Reports from the Panama Canal*

#### **141. Japan Fails to Learn Destination of Planes Departing from Panama**

One hundred planes, including Douglas B-18's Martin B-17A bombers, and Boeing 24's which had been stationed at Albrook Field, suddenly departed in early August, 1941 before Japanese observers could learn their destination. A hearsay report was sent to Tokyo on August 18, 1941 that approximately 35 or 45 two-motored bombing planes were stationed at the newly constructed Agua Dulce Air Field in the province of Coclí.<sup>543</sup>

Ships moving through the Panama Canal were the subject of Japanese naval intelligence reports forwarded to Tokyo by Minister Akiyama. Four American submarines, on August 18, 1941, and two freighters, on August 17, 1941, had passed through the Canal toward the Atlantic.

Moving toward the Pacific on August 15, 1941 were a United States freighter and the *Triomphant*, a DeGaulist destroyer, which left for Tehita on August 17. In addition, five destroyers were reported taking on fuel, rations, and other supplies at Panama.<sup>544</sup> One British and two American freighters were observed on August 19, 1941 to be moving through the Canal toward the Pacific.<sup>545</sup>

Between September 17 and 21, 1941, one American tanker and four American freighters had reportedly passed through the Canal bound for the Pacific, while two American tankers, four American freighters, and one English freighter had gone toward the Atlantic.<sup>546</sup> Informing Tokyo on September 28, 1941 that a Diomede class vessel recently had the upper section of the mast cut off, Minister Akiyama announced that the British operated two ships of this type.<sup>547</sup> On September 30, 1941 it was reported that two warships, possibly French, had left port on August 29, 1941 bound for the Pacific, while another ship of the Omaha class had also departed for an unknown destination.<sup>548</sup>

Minister Akiyama wired on October 2, 1941 that between September 30 and October 2, 1941 three American freighters and one English hospital ship had passed through the Canal to the Pacific, and nine American freighters and one American liner to the Atlantic.<sup>549</sup>

Reporting that one vessel, three American freighters, and one French steamer had moved into the Pacific between October 3 and 4, 1941, Mr. Akiyama wired that seven American freighters, the *Union* tanker, one destroyer, and two British freighters had gone through the Canal successively in the direction of the Atlantic. Since two cruisers had accompanied these vessels as far as Balboa, indications were that their cargoes were made up of military supplies.<sup>550</sup>

<sup>542</sup> III, 313.

<sup>543</sup> III, 314.

<sup>544</sup> III, 315.

<sup>545</sup> III, 316.

<sup>546</sup> III, 317.

<sup>547</sup> III, 318.

<sup>548</sup> III, 319.

<sup>549</sup> III, 320.

<sup>550</sup> III, 321.

#### 142. Japanese Reports on Panama Military Installations

Intelligence transmitted to Tokyo on October 2, 1941 concerned the transfer of the Panama Air Depot from France Field to Curundu Heights, which had been made because of the recent concentration of military aviation in the Pacific area. Tokyo learned of an announcement which had been made on August 1, 1941 by Rear Admiral Sadler, Commander of the 13th Naval District, that a new warehouse on Pier 18, the ammunition unloading pier, and the Balboa dry dock would be taken over for use as naval warehouses.

The acquisition and camouflaging by the United States Navy of petroleum supply tanks at Boca on the Pacific side and at Mt. Hope on the Atlantic side were reported, as well as the construction at Corozal of a storage depot which would contain foodstuffs to supply the Canal Zone for six months should shipping routes between Panama and the United States be severed.<sup>551</sup>

An investigation by the Japanese Minister at Panama disclosed, on October 6, 1941, the sites of five United States' airplane bases in Panama. Panamanian airports, already constructed and scheduled to be converted into military establishments, were identified as the ones at David, in Chiriquí province, and Paidonya outside Panama City. Several other locations had been surveyed but were not used because of the poor condition of the terrain.<sup>552</sup>

##### (c) *Reports from the Philippine Islands*

During the period from August 7 to October 17, 1941, Japanese naval intelligence reports from the Philippine Islands increased in number. They were concerned principally with fortifications, the arrival and departure of warships, and the construction of airports.

#### 143. Japan Attempts to Identify British Vessels Reported at Manila

On August 9, 1941 Tokyo directed that secret investigations be made regarding the name of the British battleship reported to have entered port at Manila on August 17, 1941, sailing on the next day for the west coast of North America. According to the Japanese, this ship was reported to be the *Warspite*, although it was pointed out that the British cruiser *Leander* resembled the *Warspite* from a distance.<sup>553</sup>

Consul Katsumi Nihro, in replying to the inquiry, was uncertain as to the ship's identity, and said that he knew only that it was a light cruiser of the Leander class. No British ships, he added, had entered port recently except one which he had mentioned previously.<sup>554</sup>

On August 16, 1941 six ships were reported to have arrived in Manila on the previous day, and it was observed that both United States Army and Navy airplanes were being painted dark blue.<sup>555</sup>

#### 144. Tokyo Inquires About a Floating Dry Dock Near Mariveles

The disappearance of a floating dock previously seen in the vicinity of Mariveles, Luzon was being investigated by the Japanese on August 18, 1941,<sup>556</sup> but subsequent investigations revealed that as late as September 4, 1941 the floating dock was still located one mile southeast of Mariveles in Bataan province. Barracks were being constructed near Mariberosu, and in spite of a previous rumor that they were built for the purpose of imprisoning Japanese nationals, Consul Nihro said that they were intended to house technicians and personnel working on the floating dock.<sup>557</sup>

<sup>551</sup> III, 322.

<sup>552</sup> III, 323.

<sup>553</sup> III, 324.

<sup>554</sup> III, 325.

<sup>555</sup> III, 326.

<sup>556</sup> III, 327-328.

<sup>557</sup> III, 329.

#### **145. Japanese Reports on Manila Anti-Aircraft Preparations**

As to fortifications in Manila proper, the Japanese Consul thought that, since admittance to the upper stories of the city's tall buildings had been forbidden, it was fairly certain that anti-aircraft guns had been placed on the tops of two of Manila's leading hotels, on the Insular Life and Trading Commerce buildings, and on several other public buildings. The transportation of thirty-six anti-aircraft guns to Camp Murphy had also been noted during the latter part of July 1941.<sup>558</sup>

#### **146. Japanese Report on American Airport Construction**

Tokyo was informed on August 20, 1941 that work begun in March on an unidentified airplane base in the Philippines, which had been suspended for a time, was now being accelerated.<sup>559</sup> Since too much time would be required to fill in paddy fields for the site of another new air base at Davao. Consul Jitaro Kihara disclosed that plans had been changed, and the airfield would be constructed between the sea and paddy fields where a cocoanut grove stood. Four concrete runways were to be built, and 2,500 recruits from the local populace were to be used in the construction.<sup>560</sup>

#### **147. Japan Inquires Concerning the U.S.S. Houston**

Learning from Japanese naval authorities that the *Houston* had disappeared after passing through the harbor entrance on August 20, 1941, Foreign Minister Toyoda asked on August 30, 1941 that Japanese agents investigate the waters in and around Manila for a trace of this warship.<sup>561</sup> He also directed that weekly intelligence reports be sent to Tokyo. The arrivals and departures of more than five or six destroyers, submarines, or naval ships other than American, were to be subjects of special reports at the time such changes occurred.<sup>562</sup>

On September 1, 1941 Consul Katsumi Nihro informed Japanese officials that the *Houston* had arrived at Manila on August 5, and that after loading food supplies, it had departed on August 7, 1941. It was surmised that since Admiral Thomas Charles Hart had attended the ceremonies connected with the launching of the "Q" boat for the Philippine army on August 10, the ship must have been in the vicinity until that date. Its course from then on, however, was not known.<sup>563</sup>

The *Houston*, with two destroyers, re-entered port at Manila on September 7, 1941,<sup>564</sup> and after loading fuel and stores it departed for an unknown destination on September 11, accompanied by two submarines and two destroyers.<sup>565</sup>

#### **148. Japanese Report on American Ship Movements In the Philippines**

A number of American destroyers, reported without substantiation to have come from Hawaii, entered the harbor of Jolo during the middle of July. During the last ten days of July, six other American destroyers entered ports in the Philippines and engaged in target practice with live ammunition. One large airplane capable of carrying twenty-six persons had landed on the water in the vicinity of Jolo for a number of hours, and 2,000 drums of airplane gasoline were stored within the military establishment at Jolo.<sup>566</sup>

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<sup>558</sup> III, 330.

<sup>559</sup> III, 331.

<sup>560</sup> III, 332.

<sup>561</sup> III, 333.

<sup>562</sup> III, 334.

<sup>563</sup> III, 335.

<sup>564</sup> III, 336.

<sup>565</sup> III, 337.

<sup>566</sup> III, 338.

On August 23, 1941 Manila reported that six transports, as well as the *Hon* and *Pisu* were in port at Manila, and that one destroyer and the *Gorudostna* were at Cavite. It was also announced at this time that the oiler *Torinircic* had departed for Tarakan on August 22, 1941 to take on oil, that several destroyers and submarines were stationed in the vicinity of Mariveles and that Brigadier General Cragette, arriving on August 20 on the Dutch ship, *Tibadaeky*, had conferred with General Douglas McArthur on August 21, 1941. The *Chanto* had arrived at Manila on August 20 from Olongapu, where her sister ship, the *Kabarunda*, was still undergoing repairs. Another ship, possibly the *Maddo*, and two destroyers had arrived at Cebu on August 16, 1941, and had left the same night.<sup>567</sup>

On August 30, 1941, one destroyer was at Corundusu, and three destroyers, six submarines, and the tanker, *Trinity*, were at Manila where the arrival of 500 American soldiers on the *Cleveland* and the entrance of the *Migak*, a vessel which the Japanese understood was loaded to capacity with military equipment, were noted on the preceding day.<sup>568</sup> The *Marblehead* returned to its post on August 31, and two destroyers departed September 1, 1944.<sup>569</sup>

A ship, possibly the *Black Hawk*, the *Beru*, two destroyers, and one submarine were in port at Manila on September 13, 1941, according to a Japanese intelligence report, and on the same day there arrived an American cruiser of the Brooklyn class, believed to have come from Hawaii.<sup>570</sup> Whether Legaspi Island was being used as a port of call by an American aviation company was the subject of an inquiry directed by Tokyo to Manila on September 15, 1941,<sup>571</sup> Accordingly, Minister Nihro reported the next day that Legaspi was being used as an intermediary station by the Philippine Aerial Taxi Company between Manila and Cebu. It was also noted that the Pan-American Airways were planning to build a landing place at Tacloban in Leyte Province, but as yet had not realized this plan.<sup>572</sup>

The *St. Louis*, with three other unidentified vessels had left the harbor for Singapore early on September 16, 1941 apparently loaded with food supplies.<sup>573</sup> Since red flags had been hoisted, it was indicated that ammunition was being handled on these ships.<sup>574</sup>

In an intelligence dispatch from Manila on September 20, 1941 Consul Nihro declared that the *Phoenix* and one other ship were anchored at that port. Another ship, probably the *Peters*, which entered the harbor on September 18, was reported to have carried 500 soldiers.<sup>575</sup>

On September 26, 1941 Consul Kihara at Davao pointed out that since August, 1941 American destroyer tenders, destroyers, and submarines had entered the port of Davao from the South Seas on every Saturday and had left after about two days. From members of the crews of these warships, he had learned that the warships traversed a route touching Jolo Island, Bataan, Tarao in British North Borneo, and Tarakan, a city in Netherlands Borneo.<sup>576</sup>

<sup>567</sup> III, 339.

<sup>568</sup> III, 340.

<sup>569</sup> III, 341.

<sup>570</sup> III, 342.

<sup>571</sup> III, 343.

<sup>572</sup> III, 344.

<sup>573</sup> III, 345.

<sup>574</sup> III, 346.

<sup>575</sup> III, 347.

<sup>576</sup> III, 348.

Information concerning the size, tonnage and plane accommodations of the *Langley* was sent from Davao to Tokyo on September 26, 1941.<sup>577</sup> Consul Nihro advised on October 3, 1941 that he had learned that the American cruisers, the *St. Louis* and *Phoenix*, sailing from Manila on September 16 and 22, 1941 respectively, were headed for Singapore. He requested information from Singapore concerning this in order to check on the accuracy of his spy reports.<sup>578</sup> In return it was reported from Shanghai that the United States Army transport, the *Henderson*, had left that port for Manila carrying 150 Marines.<sup>579</sup>

On October 4, 1941 Foreign Minister Toyoda directed the Japanese Consul at Manila to make a reconnaissance of the new defense works along the east, west and southern coasts of Luzon. The consul was also asked to report on their progress, strength and anything else which might be of interest to Japan.<sup>580</sup>

The Japanese Consul reported that on the afternoon of October 13, 1941 the *Houston*, *Marblehead*, and one other vessel, five destroyers, and two minelayers had departed, but that their destinations were unknown. In the harbor on October 14, 1941 were the *Black Hawk*, four destroyers, ten submarines, the *Gold Star*, and one other vessel.<sup>581</sup>

A routine intelligence transmission sent to Tokyo on October 17, 1941 reported the *Ton*, the *Maddo*, the *Hon*, four destroyers, five submarines, one minelayer, the *Beru* and the oiler, *Trinity*, in port at that time. It was added that large scale barracks were being constructed about 131 kilometers from Manila between Cabanatuan and Laur, and that mechanized maneuvers were taking place between Laur and Aguilla.<sup>582</sup>

(d) *Reports from the Hawaiian Islands*

**149. Japan Notes Activities of French in the Pacific**

Consul Nagao Kita reported that taking passage on a destroyer which had left port on September 16, 1941 were Captain C. I. Gargenieu, high commissioner for Pacific territories under the De Gaulle regime, and Commander G. Cabanier, French Commander of Defense, who were to assume new responsibilities in New Caledonia.<sup>583</sup>

**150. Japanese Foreign Minister Requests Special Intelligence Reports Concerning Pearl Harbor**

Japanese naval intelligence reports from Honolulu, though few in number, were in the light of the later attack on Pearl Harbor to grow increasingly significant as December 7, 1941 drew nearer. The significance becomes apparent, however, only when reading history backwards.

Concerning Pearl Harbor, Foreign Minister Toyoda on September 24, 1941 directed that in future intelligence reports from Hawaii, Pearl Harbor waters were to be divided roughly into five subareas—

Area A: Waters between Ford Island and the Arsenal.

Area B: Waters adjacent to the Island south and west of Ford Island. (This area is on the opposite side of the Island from Area A.)

Area C: East Loch.

Area D: Middle Loch.

Area E: West Loch and the communicating water routes

<sup>577</sup> III, 349.

<sup>578</sup> III, 350.

<sup>579</sup> III, 351.

<sup>580</sup> III, 352.

<sup>581</sup> III, 353.

<sup>582</sup> III, 354.

<sup>583</sup> III, 355.

Furthermore, reports were to be made on warships and aircraft carriers at anchor, and although not so important, those tied up at wharves, buoys, and in docks. The types and classes of vessels were to be designated briefly and special mention was to be made when two or more vessels were alongside the same wharf.<sup>584</sup>

On September 29, 1941 the details of a special code to be used in referring to the location of American warships in Pearl Harbor was sent to Tokyo through diplomatic channels. "KS" meant the repair dock in the Navy yard; "FV" was the moorings in the vicinity of Ford Island; "FG" designated the location alongside Ford Island; and "A" and "B" indicated east and west sides of "FG" respectively.<sup>585</sup>

#### **151. Japanese Report on American Transportation of English Troops**

Consul Nagao Kita, on October 2, 1941, reported that an American steamship, possibly the *Monterey* from Australia, had entered port bearing approximately 600 Australians and New Zealand air corps troops under the command of Wing Commander Axel Richards. English language newspapermen stated that this was the first instance of an American ship being used to transport English troops.<sup>586</sup>

(e) *Reports from South America*

#### **152. Japanese Interest in Brazilian Air Fields**

The Japanese Foreign Minister, in a dispatch to Rio de Janeiro on September 29, 1941, asked that plans for landing fields on islands near Brazil be investigated and the information be sent to Tokyo at once.<sup>587</sup>

#### **153. Minister Ishii Reports American Planes Arriving in Brazil**

Japanese Minister Itaro Ishii in Rio de Janeiro informed Ambassador Nomura in Washington that the United States was dispatching weekly two large planes, each capable of carrying 62 persons, to Bathurst in British Gambia. According to information gathered by Consul Ishii, plans were being made to dispatch by plane several thousand technicians, possibly including military officers.<sup>588</sup>

(f) *Reports from Capetown, South Africa*

#### **154. Japanese Agents Reports the Transportation of British Soldiers**

Two Japanese naval intelligence dispatches from Capetown, South Africa to Tokyo contained information concerning British vessels entering that port, and accordingly were retransmitted to Berlin. Approximately 8,000 British soldiers whose destination appeared to be Iran were embarked on five large transports, accompanied by a 7,000- or 8,000-ton cruiser, which had entered port on September 11, 1941 and sailed again September 14.

#### **155. Japan Watches British Shipping Near Cape of Good Hope**

As an aid to Russia, Britain was dispatching airplanes to the Eastern Front, along with aviators, extra machinery parts, gasoline, repair materials and technicians. Some of those were being transported via the White Sea and Murmansk, and part were being sent by the Cape route via Iran.<sup>589</sup>

<sup>584</sup> III, 356.

<sup>585</sup> III, 357.

<sup>586</sup> III, 358.

<sup>587</sup> III, 359.

<sup>588</sup> III, 360.

<sup>589</sup> III, 361.

Between September 16 and 21, 1941 seven British vessels were reported by Japanese spies to have entered Capetown for two-day stopovers. A camouflaged cruiser, on which a number of soldiers had embarked, and which appeared to be headed for Iran, entered port on September 18, and sailed on September 20, 1941.<sup>590</sup>

(g) *Reports from Vladivostok, Russia*

**156. Departure of Russian Submarines**

From Japanese diplomats in Vladivostok, came a ship movement report on September 4, 1941. It revealed that most of the Russian submarines seemed to have gone to sea, though their minesweepers were still engaging in strenuous daily practice. Detailed descriptions of the ships in the harbor and the arrival of a United States tanker on September 3, 1941 were reported.<sup>591</sup>

**157. Japanese Learn of British Supply Route to Russia**

On October 15, 1941 Japanese intelligence reports revealed that a tremendous amount of British supplies was being shipped to Russia through Capetown, Durban and Lourenco Marques. Aid to Russia via Iran had become difficult owing to a lack of docking facilities in the Persian Gulf, and because of poorly operated railroads in Iran. For this reason Russia and Great Britain had decided to appoint Brigadier General Sir Godfrey Dean Rhodes, then Director of Railways and Harbors in British Kenyauganda, to the position of Director of Transportation in Iran.<sup>592</sup>

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<sup>590</sup> III, 362.

<sup>591</sup> III, 363.

<sup>592</sup> III, 364.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(a) *Japanese-American Relations***158. Negotiations to Return American Missionaries to the United States Continue**

In spite of the fact that on July 19, 1941 Ambassador Nomura had suggested the discontinuance of negotiations regarding the thirteen American missionaries in Korea, he wired on August 8, 1941 that, if Japanese government officials would permit, the Missionary Society was ready to return its representatives to the United States on furlough. He asked that this information be conveyed to the office of the Governor-General of Seoul, Capital of Chosen, for appropriate action.<sup>593</sup>

**159. Japan Fears American and British Alliance with Russia<sup>594</sup>**

Since Great Britain and America had already frozen Japanese funds and effected other retaliatory measures because of Japan's aggression into French Indo-China, the Japanese Military Attaché in Washington warned his government, on August 9, 1941, that both these countries would take further action if Tokyo attempted to invade Siam. At the present time there were rumors of a meeting between President Roosevelt and Prime Minister Churchill on the Atlantic. It seemed evident by this increased British-American cooperation in Far Eastern affairs that once Japan entered Siam it would face war with the two allies.<sup>595</sup>

By strengthening its defenses in the Alaskan Aleutians the United States had also given clear indication of its growing interest in Russia. If Japan made any move to invade Siberia by force, American aid to Russia would not only increase, but economic and diplomatic relations between the United States and Japan would be completely severed. Even if war did not result, the Japanese Military Attaché was certain that at least a severe commercial war would be waged by the United States against Japan.<sup>596</sup>

In view of this situation, the Japanese Military Attaché, on August 9, 1941, suggested that Japan delay any northern advance until Russia's defeat by Germany. Once the Russo-German war was concluded, he felt certain that America's hostility toward Japan would lessen. On the other hand, there was always the possibility that the Russo-German war would be long and that as a result Great Britain, America and Russia would attempt to encircle and destroy Japan. In taking this possibility into consideration, the Japanese Military Attaché warned that Tokyo should make preparations for dealing with even the most disadvantageous contingencies.<sup>597</sup> He explained that the reason American tankers were being sent to Russia by way of Vladivostok was because America had experienced great difficulty in finding another route by which to send aid. There were some indications that in the future American tankers would detour via Nikolaevsk.<sup>598</sup>

**160. Inventory of Secret Funds in Japanese Legations**

On August 11, 1941 the Japanese Ambassador in Washington transmitted an itemized account of special secret funds on hand in the Japanese Legations in the United States. Ap-

<sup>593</sup> III, 365.

<sup>594</sup> Information in this section did not become available until May, 1945.

<sup>595</sup> III, 366.

<sup>596</sup> *Ibid.*

<sup>597</sup> III, 367.

<sup>598</sup> III, 368. These messages were not translated until January and May 1945, respectively.

proximately \$17,425 was contained in a secret fund for propaganda and intelligence purposes, and \$20,556 was being held in a special fund in the name of the councilor. In the secret fund in San Francisco was \$5,000, while the amounts on deposit in San Francisco and New York were \$47,000 and \$54,606 respectively.<sup>599</sup>

#### 161. New Military Attaché Appointed to Japanese Embassy

Meanwhile, on August 12, 1941 Foreign Minister Teijiro Toyoda in Tokyo informed Ambassador Nomura that Supply Officers Colonel Kenkichi Shinjo, Major Kita Yoshioka and Hinkai Ko had been appointed as assistant military attachés to the Legation in Washington. The United States government was to be informed of these appointments.<sup>600</sup>

#### 162. Tokyo Reports Chinese Attempt to Draw United States into War against Japan

A strange situation was reported on August 13, 1941 in a dispatch retransmitted by Tokyo from Peking to Washington. According to the message, the Chungking faction in the North China area had ordered the assassination of American citizens in the hope that this would provoke the United States into entering the war. Since the Japanese militia in this area, the Harada Corps, had been forewarned, every precaution was now being taken to guard against any such mishap.

In spite of these precautions, threatening notes in the form of handbills had been scattered near the entrances of Christian Churches operated by Americans in Kaifeng, and five persons had broken into the Baptist Church threatening Americans with pistols and making away with cameras, papers and other such articles. Although the Harada Corps was investigating these incidents and was offering protection to all Americans in its jurisdiction, it was feared that in actuality the Americans were making preparations to evacuate the North China area.<sup>601</sup>

Furthermore, many cases of interference with American rights and interests in Japan and Japanese occupied areas of China had been reported. On August 13, 1941 Ambassador Nomura had submitted information to Tokyo from the State Department that Japanese authorities had undertaken widespread arbitrary activities against American official establishments. In North China, the travel of Americans, including American consular officials, was being stopped, restricted, or delayed. At Peitaiho, the transportation of baggage of Americans to the railway station was forbidden and the railway refused to receive baggage for checking. In Japan proper the travel of American citizens had been restricted so that Americans had been unable to obtain accommodations to Shanghai in returning to the United States.<sup>602</sup>

Other infringements upon the rights of American citizens and upon American institutions were reported from Tsingtao, Hwanghsien, Shantung, Tientsin, Foochow, Hsinan and Kobe. Such treatment of American diplomatic and consular officials, as well as American business representatives, at the hands of Japanese authorities or Japanese sponsored organizations was, in each case, seemingly without provocation. Unwarranted interference, rigid restrictions and control over the movements and activities of Americans were also reported at Swatow, Mukden, Fushun and Dairen. In one instance, the American Catholic Mission Sisters were permitted to visit the Consulate for passport services only on the condition that they would guarantee to return to Fushun the same day. Furthermore, when the Consul at Mukden had attempted to telephone to the Consul at Dairen, he was informed that he had "better cancel the call".<sup>603</sup>

<sup>599</sup> III, 369.

<sup>600</sup> III, 370.

<sup>601</sup> III, 371.

<sup>602</sup> III, 372.

<sup>603</sup> III, *Ibid.*

### 163. Mr. Malcolm Lovell Offers to Mediate between Japan and China

Ambassador Nomura reported on August 13, 1941 that the German Charge d'affaires, Mr. Thomsen, had called on Mr. Sadao Iguchi to request that the latter meet Mr. Malcolm Lovell, a New York banker, who was a close friend of Mr. Kuo Tai Chi, Chief of the Foreign Section of the Chungking government.<sup>604</sup> Mr. Thomsen had become acquainted with Mr. Lovell when the banker, who was interested in the relief work of the Quakers, had come to discuss Quaker activities in occupied France.

At the meeting of Mr. Iguchi and Mr. Lovell on August 13, 1941 Mr. Lovell spoke of his great friendship with Mr. Kuo Tai Chi ever since his college days, and discussed his interest as a Quaker in achieving peace. At the time Mr. Kuo Tai Chi had passed through the United States en route to his home from England, he had informed Mr. Lovell that peace between Japan and China would be welcomed under certain conditions.<sup>605</sup>

According to Mr. Kuo Tai Chi, a previous Japanese peace feeler had not reached the important authorities in the Chungking government. Since Mr. Lovell's Quaker background made him exceedingly anxious to bring about peace, and because of his very close relations with Mr. Kuo Tai Chi, he asked that he be advised as to the Japanese attitude concerning this matter.

When Mr. Iguchi asked when Mr. Lovell expected to get to Chungking, the banker replied that he had many friends in New York newspaper circles and he was confident of his ability to obtain a permit from the State Department as a special correspondent of one of these papers. He would then establish contact with the Japanese at some point, such as Hongkong. Though he was conscious that considerable difficulty would be encountered in finding terms acceptable to both sides, he felt confident that he could convey the respective opinions of the Japanese authorities and Chungking authorities to each other. Furthermore, if he failed, Japan would not be affected, since he was operating entirely on his own and had no intention of accepting any expenses.

Ambassador Nomura requested Foreign Minister Toyoda to decide whether or not the services of Mr. Lovell could be used, stating that Mr. Thomsen believed him to be a thoroughly reliable character.<sup>606</sup>

### 164. Japanese Foreign Office Asserts Its Authority in Foreign Relations

On August 15, 1941 Foreign Minister Toyoda instructed Ambassador Nomura that all questions regarding the resuming of sending Japanese ships to the United States should be dealt with by the Japanese Ambassador in Washington, or the Consul General in New York. These instructions were occasioned by a message from Financial Attaché Tsutsumu Nishiyama to the Minister of Finance in Tokyo.

The Foreign Office was concerned not only with the question of jurisdiction in such matters, but also disturbed because a message had not been sent in an Embassy code, which was a violation of their security instructions.<sup>607</sup>

### 165. Ambassador Nomura Suggests Suspension of Funds Pending Settlement of Financial Agreement

Proposing to pay Legation salaries out of cash on hand, Ambassador Nomura suggested on August 14, 1941 that remittances from Japan be temporarily postponed. Until such time as a general agreement was concluded between the United States and Japan, it would be impos-

<sup>604</sup> III, 373.

<sup>605</sup> *Ibid.*

<sup>606</sup> *Ibid.*

<sup>607</sup> III, 374.

sible to draw from government funds or to pay the salaries which were remitted from Japan. To discuss this financial situation with the Yokohama Specie Bank, Ambassador Nomura sent Mr. Hirome Hoside to New York.<sup>608</sup>

It will be remembered that the United States extended every facility to the Japanese diplomatic and consular organizations, assuring them permission to draw funds for the maintenance of their offices and for the subsistence and traveling expenses of their personnel.<sup>609</sup>

#### **166. Freezing Order Curtails Japanese-American Trade**

Foreseeing no way to make payment for the shipments of oil which Japan badly needed at this time, the Japanese Ambassador advised the exchange of raw silk for oil. It would be fine, he said, if Japan could find a way to make the freezing order ineffective, but it could neither expect much in this direction nor hope that the United States would apply frozen funds to pay for the oil.<sup>610</sup>

#### **167. Ambassador Nomura Reports Indirect Participation of United States in the War Against Germany**

As further proof that the United States was indirectly, if not directly, participating in the war on the side of the Allies, Mr. Nomura cited the statement made by the *New York Times* to the effect that if there were any indications that Soviet Russia was being defeated, the aircraft supplied to Russia should be stopped, since such material might fall eventually into German hands, that not even British and American military observers were permitted to watch the war, and as a result, a true picture of the German-Russian war could not be obtained.<sup>611</sup>

#### **168. Japan Plans to Evacuate Nationals from the United States**

Discussions were now being carried on between Japanese officials in American cities and in Mexico in regard to the evacuation of Japanese nationals in this area. Consul Yoshio Muto at San Francisco, in a circular dispatch transmitted August 16, 1941, said that first-generation Japanese who had established themselves in America and second-generation Japanese who had registered for military service were anxious to remain in the United States should a break in Japanese-American relations occur.

Consul Muto added that no indications of unrest were apparent even when such persons heard that Japanese ships on regular schedule were no longer to operate to the west coast. Since many first and second-generation Japanese were actually wavering in their intentions, the Japanese consulate at San Francisco was encouraging these persons through subsidized newspapers and organizations.

All Japanese persons connected with banks and companies with home offices in Japan, as well as others who were employed only in completing unfinished business, would be evacuated. It was imagined, Mr. Muto said, that Japanese residents who had become attached to the land would be dealt quite a blow when such evacuation took place. Therefore, all possible means were being taken to soften the blow.<sup>612</sup>

#### **169. American Officials Search Japanese Business Offices in Los Angeles**

An inspection of the NYK, Yokohama Specie Bank, the Sumitomo, the Mitsui, and the Mitsubishi branch offices in Los Angeles by four to seven Treasury Department and FBI officials was reported to Tokyo on August 18, 1941. A thorough and detailed inspection had been

<sup>608</sup>III, 375.

<sup>609</sup>III, 376.

<sup>610</sup>III, 377.

<sup>611</sup>III, 378.

<sup>612</sup>III, 379.

made in each office. Not only had the inspectors checked letters of private individuals, but photostatic copies had been made of several thousand documents, although the Sumitomo office had forbidden the photostating of its codes.<sup>613</sup>

Consul Kenji Nakauchi believed that the investigation had been conducted to determine the existence of "subversive acts" in spite of the fact that it was theoretically conducted in conjunction with the freezing order. Official employees of the Yokohama Specie office had been forbidden to enter their offices, or to leave, between 6:00 P.M. and 8:30 A.M. in order to prevent the burning of documents. It had been necessary, Consul Nakauchi disclosed, to secure the approval of the inspectors on all telegraphic communications received or dispatched.<sup>614</sup>

#### 170. Evacuation Committee Meets on August 18, 1941 to Discuss Return of Missionaries

In answer to Ambassador Nomura's dispatch of August 8, 1941, Tokyo communicated a message from the Governor-General of Korea on August 19, 1941 to the effect that the evacuation committee of the Mission in Keijo had met on August 18, 1941 to determine whether the missionaries were to return to America. The Governor-General in Korea promised to keep Foreign Minister Toyoda informed as to the results of the meeting of the evacuation committee.<sup>615</sup>

#### 171. The Japanese Embassy in Washington Reprimands the Tokyo Foreign Office

On August 19, 1941 Japanese representatives in Washington complained that during the past several years the Foreign Office had sent general instructions which did not take into consideration the general world situation and, therefore, missed the most essential points. It was suggested, therefore, that diplomatic matters be turned over to the investigation section for proper classification according to their importance so that the Embassy could dispose of the matters in the order of their urgency.<sup>616</sup>

#### 172. Japan Recognizes Russo-German War as Threat to Its Border

On August 20, 1941 Tokyo replied to Ambassador Nomura's request for information concerning Japan's attitude toward the Russo-German war. While Tokyo did not feel able to predict the outcome of the Russo-German war, it took into consideration the possibility that Soviet Russia might lose the war with the result that the Stalin regime would disintegrate and far eastern Russia be thrown into political confusion.<sup>617</sup>

Moreover, it was necessary to consider that since part of Soviet Russia was adjacent to Japan and Manchukuo, Japan felt the necessity of taking precautionary measures to safeguard its national defense and security. There also remained the possibility of Soviet Russia's being influenced by a third power and consequently permitting the establishment of military bases in the maritime provinces of Siberia or in Kanchataka.

As a result, the Japanese government had decided to increase its forces in Manchukuo, and at the same time, to carry on negotiations in Tokyo with Russian officials in order to solve the various questions pertaining to this area. Tokyo was aware, however, that Russian officials had been warned to be cautious in their attitude toward the forces situated in Manchukuo.<sup>618</sup>

If this increase of Japanese troops in northern China should bring from the United States further demands for explanation by Japan, Ambassador Nomura was advised to impress upon

<sup>613</sup> III, 380.

<sup>614</sup> III, 381.

<sup>615</sup> III, 382.

<sup>616</sup> III, 383.

<sup>617</sup> III, 384. See Section 23, Part A, *Rumors Of a British-American-Russian Peace Conference Speed Japanese Action.*

<sup>618</sup> *Ibid.*

the American government that the troop movement was purely a precautionary measure designed to forestall any unforeseen emergency which would disturb peace in the Far East. To an inquiry from the Russian Ambassador in Tokyo regarding this matter the Japanese Foreign Minister had assured the Russian government that Japan would live up to the Neutrality Pact "as long as Russia did". The Soviet Ambassador was satisfied with this reply.<sup>619</sup>

The Tokyo Foreign Office also requested Ambassador Nomura to call the attention of the United States' authorities to the fact that shipping war materials from the United States to Russia by way of Japanese coastal waters would have an unfavorable effect on the already unstable Japanese-American relations. The Japanese Foreign Minister had already explained the situation to Ambassador Joseph C. Grew in Tokyo.<sup>620</sup>

#### 173. Consul Morishima Suggests Further Precautions to Ensure Secrecy of Dispatches

Asking that the Japanese Ambassador in Washington investigate the telegraphic situation, Consul Morito Morishima in New York protested that the Western Union Telegraph Company had returned one of his dispatches which had been sent to Vancouver. Furthermore, since code messages from the Consulate apparently had been prohibited, requests for transmissions must have been received from Japanese Consulates in Canada.<sup>621</sup>

#### 174. Change Predicted in Japanese American Relations

The Japanese finance officer, Mr. Nishiyama, in a confidential interview on August 21, 1941, was told to expect a change in Japanese-American relations within the next ten days. This change would depend upon the attitude that Japan took during this time.<sup>622</sup>

#### 175. Washington Warns Tokyo of Security Violation

Since Tokyo had requested information regarding American treatment of Japanese officials in connection with all branches of communications, asset freezing, travel and surveillance of diplomatic and consular officers, Ambassador Nomura disseminated the instructions of the Foreign Office as directed. However, as a precautionary measure, he first carefully paraphrased and then encoded these instructions. On August 22, 1941 Ambassador Nomura warned Tokyo that a close watch should be maintained in guarding code secrecy.<sup>623</sup>

#### 177. Japanese Authorities Express Concern over United States' Official Inspection

On August 23, 1941 Financial Attaché Tsutsumu Nishiyama in Tokyo wired his opinion regarding the bank inspection conducted by the Treasury Department officials and F.B.I. men. He believed that the American inspection came closer to being a search for "subversive acts" rather than an inspection connected with the freezing order.

Influential persons in the Specie Bank, greatly concerned, asked that an investigation be conducted to ascertain the real purpose of the inspection of American officials.<sup>624</sup>

#### 178. Japan Reports Anti-Japanese Activities among American Missionaries in China

A supplementary report on American missionaries in China was sent to Washington by Tokyo on August 25, 1941. Upon investigation, the Japanese professed to have learned that the Church had taken in sixteen wounded enemy troops, many enemy spies and Communists, and had hid them on the church premises. It was further alleged that church officials were

<sup>619</sup> III, 385.

<sup>620</sup> *Ibid.*

<sup>621</sup> III, 386.

<sup>622</sup> III, 391.

<sup>623</sup> III, 392.

<sup>624</sup> III, 394.

sending undercover reports to the enemy and were participating in enemy-like activities. As a result of these findings, nine persons, including missionaries, were confined in a house adjoining the church hospital and kept under surveillance.

Deciding, in view of the critical times, to act with special leniency, the Japanese military command asked Mr. James N. Montgomery, who was responsible for the Americans, to sign a pledge that the Americans would not take part in any similar activities in the future. Consequently, the American citizens were released and the watch removed.<sup>630</sup>

In spite of this expression of Japanese friendliness, the church officials were circulating rumors to the effect that a certain Chinese patient who had died of illness in the hospital, had been murdered by the Japanese.<sup>631</sup>

#### 179. Japan Attempts Disposal of Certain Frozen Funds

On August 25, 1941 the Chief of the Financial Bureau in Tokyo replied to Finance Attaché Nishiyama's query concerning United States bonds in Japanese banks in the United States. If turned over secretly to the Japanese Financial Attaché, Ambassador or Consul, Tokyo believed that those bonds of which the United States was unaware, could be easily disposed of without the owner's loss of title. When such a method was used, the Japanese official to whom they were entrusted was to issue a receipt giving all the information necessary to identify them. A certified list of these bonds was then to be sent to the Finance Minister in Japan who would in turn make yen payments on principal and interest.

In order to prevent the United States' officials from learning of this plan, deliveries of such certified lists were to be made by Foreign Office couriers. On the other hand, those bonds known to United States officials necessarily would be frozen. No other course could be pursued in such a case since any minor incident at this time could considerably endanger any Japanese-American negotiations.<sup>632</sup>

#### 180. Japan Learns Details of Churchill-Roosevelt Agreement

A report of the Russian Peoples Commissar for Foreign Affairs which had been sent to various Russian representatives in the Orient was authorized by the Japanese government on August 25, 1941. It discussed the terms agreed upon during the present Roosevelt-Churchill conference, and said that in order to ensure the support of American public opinion in sending aid to Great Britain, President Roosevelt had stated that British war aims must be clarified. Churchill had cited the exhaustion and the anti-war sentiment prevalent in British dominions and among the laboring classes, and for these reasons had requested positive aid from America.

America had promised aid in the event of a Japanese attack upon Australia, Burma or the Netherlands East Indies and had agreed to an expansion of the economic war against Japan. American aid was also guaranteed in the Near East in case Germany invaded the Caucasus. Furthermore, the United States extended to Great Britain a grant for military aid and promised American participation against German submarine warfare.<sup>633</sup>

#### 181. American Newspapermen in Italy Forecast Axis Defeat

Word came to the Japanese Embassy in Washington on August 25, 1941 that American newspapermen in Rome were highly pleased with developments in the international situation. They believed that American aid to Britain and Russia would gradually strengthen the en-

<sup>630</sup> III, 395.

<sup>631</sup> *Ibid.*

<sup>632</sup> III, 396.

<sup>633</sup> III, 397.

circlement of the European continent, and that the German and Italian armies in North Africa would be cut off from their home countries. They also believed that American aid in the future would be sent by way of Dakar, Bathurst, British Gambia, Basra, Singapore and the Suez.<sup>634</sup>

### 182. Minister Sakaya Criticizes American Aid to Russia

A report to Tokyo from Minister Tadashi Sakaya concerning a conversation with Hans Frederick Schoenfield, the American Minister in Helsinki, Finland was relayed to Ambassador Nomura in Washington. According to the report, Minister Sakaya had argued that the United States' support of Russia, a country diametrically opposed to the democratic principle, was peculiar.<sup>635</sup>

The American Minister replied that, although he had received no detailed reports from Washington, he imagined that his country considered it essential to support Russia against a greater threat. Furthermore, from the standpoint of the United States, Bolshevism could not constitute a very great threat to other nations because of the tribulation which Russia had suffered in the last ten years.<sup>636</sup>

### 183. Minister Schoenfield Clarifies American Policy

In answer to a remark concerning the absurdity of the United States' meddling in the affairs of Europe and Asia while adhering to the policy of the Monroe Doctrine, Minister Sakaya was informed by Mr. Schoenfield that though foreign countries were not permitted to seize control of any part of the American continents, the United States did not wish to control any country therein. However, should Germany attempt to contravene the principle of self-determination, which would shatter the foundations of peace between the old and new worlds and upset the economic equilibrium, the United States intended to prevent such action.<sup>637</sup>

The American Minister added that the bad relations between the United States and Japan would probably soon improve and that, as long as the leaders of the two countries continued to negotiate, there was a good chance for a composure of relations between the two countries.<sup>638</sup>

### 184. Japan Inquires About American Treatment of Japanese Nationals

As relations between Japan and the United States grew steadily worse, Tokyo asked Washington for a report on the methods used by the United States in handling Japanese nationals, since it intended to draw up a reply to an American protest against Japan's control of foreign business in Tokyo.

On August 26, 1941, Mr. Kenji Nakauchi, of the Japanese office in Hollywood, replied that printed matter sent from Japan apparently was being censored, although there was no actual proof. Private individuals in the United States often found that newspapers and magazines from Japan had been delayed or confiscated entirely. In one instance photostatic copies had been made of a Japanese official's private letters and diary.

After the Tachibana Incident, Japanese naval officials had been trailed and kept under surveillance, and since that time other Japanese nationals connected with the army and navy also had been watched. In spite of the fact that Captain Yutaka Ishikawa and Commander Sasaki of the Japanese navy had been subjected to an examination by customs officials before boarding the *Otowasan Maru* to return home, the FBI had also rigorously examined these officers.<sup>639</sup>

<sup>634</sup> III, 398.

<sup>635</sup> III, 399.

<sup>636</sup> *Ibid.*

<sup>637</sup> III, 400.

<sup>638</sup> III, 401.

<sup>639</sup> III, 402.

### 185. Japan Suggests That Reciprocal Permits Facilitate Maintenance of American and Japanese Embassies

The Japanese government asked that the United States guarantee, under the principle of reciprocity, that Japanese diplomatic and consulate organizations in the United States be permitted to draw funds for the maintenance of offices and the expenses of personnel.<sup>640</sup>

On August 27, 1941 the Japanese Foreign Minister handed Ambassador Grew in Tokyo a document containing Japan's opinions on this subject, and on the same day a similar document was transmitted to Ambassador Nomura with instructions that he contact the American State Department concerning it. Japan pointed out that by the present reciprocal arrangement effective between Japan, England, Australia, Canada and Holland, it was possible to exclude the Ambassador, Consul, and employees of government offices from the investigations following transactions of foreigners. This agreement did not include public funds, but exempted only personal accounts of consular officials from investigation.

Since the United States did not permit the practice which Japan had accorded to American officials in Tokyo, the Japanese government felt obliged to make certain revisions in the American proposals concerning Japanese funds. Japan desired that the investigation of the actual expenses connected with telegraphic matters, salaries of employees, rents and entertainment expenses be omitted.<sup>641</sup> Furthermore, a permit should not be required for the receipt of money transferred to another official account.

On the other hand, America should grant a permit when Embassy and Consulates and other government offices wished to pay into the Japanese national treasury any balance on hand of current operating expenses and funds arising from the disposal of assets. Moreover, the income received by the consulate and the salaries of the consulate employees should be allowed to be sent to Japan. In regard to the personal living and traveling expenses, the standard set was to be 1500 yen a month in Japan and \$500.00 a month in America. Permits for established salaries were to be issued reciprocally for the payment of both the Japanese and American Ambassadors, their Financial Attachés, Military and Naval Attachés, and Embassy secretaries.<sup>642</sup>

If any circumstances rendered necessary a greater amount than that already agreed upon, either the American or Japanese Ambassador, as the case might be, was to apply for a separate permit upon each occasion. After a list of the Japanese employees above the rank of clerk was furnished to the State Department by the Japanese Embassy in Washington, the American government was to grant the Yokohama Specie Bank a general permit covering the payment of salaries to these employees by the Japanese Foreign Office. If the expenses remitted through the Yokohama Specie Bank exceeded the \$500.00 per month limit, the United States government was to grant a permit for the additional funds immediately upon the request of the Japanese Embassy.<sup>643</sup>

When Ambassador Nomura presented this memorandum from his government, he expressed the opinion that although the present arrangement would be effective only in the Japanese Empire and the United States respectively, it should be extended even further. If America facilitated the clearing of dollar remittances to Japanese offices and employees in South America and Europe as well, the Japanese Ambassador promised to recommend that the Manchurian and Nanking governments accord similar privileges to American offices in that area.<sup>644</sup>

<sup>640</sup>III, 376.

<sup>641</sup>III, 403.

<sup>642</sup>*Ibid.*

<sup>643</sup>*Ibid.*

<sup>644</sup>*Ibid.*

## 186. Japan Sets Date for Evacuation of American Missionaries

On September 2, 1941 the Governor-General's Office in Korea announced that in view of the fact that all thirteen of the American missionaries had consented to evacuate, all pending litigation would be dismissed and the missionaries would sail to Shanghai on Japanese vessels. Departing from Japan on ships leaving on August 26 and September 16, 1941, they would transfer at Shanghai to American vessels for the trip to the United States.<sup>645</sup>

## 187. Japan Opposes American Aid Sent to Russia Via Vladivostok<sup>646</sup>

On September 4, 1941 the Japanese Military Attaché made another report on American aid being sent to Russia via Vladivostok. In his opinion the American public did not support aid to Russia so wholeheartedly as that to China. Therefore, he believed that Tokyo could openly oppose the routing of American tankers to Russia.<sup>647</sup>

If it were emphasized that the Japanese Navy held maneuvers in that area, and if at the same time the sinking of the *Terukuni Maru* in those mined waters was recalled, the Japanese Military Attaché believed that American supplies to Russia would be rerouted in the future. At the same time, however, he emphasized that the Japanese government should not put too much pressure upon American officials, otherwise a commercial war might commence which would result finally in the complete economic destruction of the Japanese Empire.<sup>648</sup>

## 188. Japanese Finance Minister Attempts to Avoid Petroleum Sales Restrictions

On September 4, 1941 a Japanese official in Washington reported to the Minister of Finance in Tokyo concerning the problem of obtaining funds with which to purchase petroleum from the United States. According to this official's opinion, diplomatic relations between Japan and the United States must inevitably become more favorable, for if the situation were allowed to become worse, trade between Japan and South America would greatly suffer and any attempts of the Japanese to preserve their deposits there would be thwarted. On the other hand, if the situation improved, Japanese officials could send money from the United States to South America. To secure the necessary petroleum, therefore, it would be advantageous if the Japanese government heeded America's current demands so that means of paying for any petroleum purchases could be devised by Japan.<sup>649</sup>

The finance officer promised to discuss the problem with the American State and Treasury Departments and the Foreign Fund Control Board. After the United States had put into effect the freezing measures against Japan, the Japanese government had sent funds to South America for the purchase of certain goods. In view of this the finance officer suggested that in the future a portion of these funds should be used to pay for United States exports and, particularly, in the purchase of petroleum. Any other money in gold accumulated in other countries was also to be used for this purpose, though it would be necessary to secure permits beforehand from the Exchange Control Organization in each country.<sup>650</sup>

The Japanese official pointed out that the United States could effect a freezing of funds in related banks in order to impair Japan's South American policy, though such action had been delayed by the United States because of the Japanese-American negotiations. In order, therefore, to lessen the ill effects which the South American countries would suffer if the United States froze Japanese funds in their banks, the Japanese finance officer again urged Tokyo to make certain concessions to America's demands.<sup>651</sup>

<sup>645</sup>III, 404.

<sup>646</sup>Information in this section did not become available until January 1945.

<sup>647</sup>III, 405.

<sup>648</sup>*Ibid.*

<sup>649</sup>III, 406.

<sup>650</sup>*Ibid.*

<sup>651</sup>III, 407.

**189. Ambassador Nomura Informs Tokyo of Transfer of Funds**

Referring to his previous message to Tokyo regarding funds on hand in Washington, Ambassador Nomura declared on September 4, 1941 that the \$20,606.47 which he had been holding for the New York Consulate would be transferred to that office.<sup>652</sup>

On September 5, 1941 the Japanese Ambassador was asked to send \$5000 from the special secret funds held by the Counselor to a Japanese resident in Cuba for emergency use. The actual disbursement of these funds, however, was to be made only upon orders from Foreign Minister Toyoda.<sup>653</sup>

**190. Mr. Terasaki Plans to Confer with "America First" Committee**

For the purpose of making secret contacts with members of the "America First" Committee, Ambassador Nomura asked Tokyo on September 6, 1941 to authorize Secretary Hidenari Terasaki to make an official visit to Chicago. Since Mr. Terasaki had been unable to make an official tour to Los Angeles and San Francisco, it was requested also that he be permitted at this time to stop off at San Francisco, Seattle and Los Angeles.<sup>654</sup>

**191. Japan Keeps in Touch with Its Nationals in America**

Arrangements were made on September 6, 1941 to have Mr. Ryukichi Watanabe attend memorial services in honor of his son, Mr. Junichi Watanabe and others, which was to be held from October 15 to 21 inclusive at the Yasukuni Shrine in New York. Since the name of the deceased was not to be made public until the end of September, Mr. Watanabe's invitation to the memorial services was to be extended to him confidentially.<sup>655</sup>

**192. Arrest of Japanese in Possession of Illegal Passports**

Tokyo learned on September 6, 1941 from Consul Nakauchi in Hollywood that local immigration officers had arrested Japanese who were in possession of illegal passports. Approximately 100 persons had been taken into custody in California. Since it appeared that "this sort of round-up" would be carried on in the future as well, Mr. Nakauchi declared that when boats became available approximately half of these persons would be given the opportunity to return home.<sup>656</sup>

**193. Japanese Officials Leave for Japan (September 9, 1941)**

Other Japanese returning to Tokyo at this time included Couriers Kuga, Watanabe and Tachi; Mr. Zozo Nishina, an engineer; Mr. Nakajima, former Manchurian Railroad Director; Mr. Hase, Diet Member; Mr. Kiyohara, Secretary of the Ministry of Justice; Messrs. Kuge and Ito, officials of the Home Ministry; Professors Hamada and Tanabe; Mr. Satsuma, Chief Editor of the *Kokumin* newspaper, and two others. This group had left San Francisco on the *President Taylor* on September 9, 1941 en route to Shanghai whence reservations to Japan had been requested.<sup>657</sup>

**194. Japanese Speculations Continue Regarding Myron Taylor's Return to Vatican**

After a year's absence, Mr. Myron Taylor, President Roosevelt's personal emissary to the Vatican, returned to his post on September 9, 1941. Various rumors arose concerning his mis-

<sup>652</sup> III, 408.

<sup>653</sup> III, 409.

<sup>654</sup> III, 410.

<sup>655</sup> III, 411.

<sup>656</sup> III, 412.

<sup>657</sup> III, 413.

sion. According to one representative, Mr. Taylor had been ordered to request that the Vatican mediate the settlement of the Far Eastern question between Japan and the United States. Another report indicated that, in view of the new alliance between Great Britain, the United States and Soviet Russia, Mr. Taylor was to discuss the anti-Bolshevik propaganda instigated by Catholics.

Other speculations included the discussion by Mr. Taylor of problems affecting Catholics and Catholic missions throughout the territories of the Far East under the control of the United States and Great Britain, as well as the theory that Mr. Taylor had brought a peace proposal for the Pope's opinion. In the opinion of Japanese officials stationed in Rome, however, Mr. Taylor had not been entrusted with any particular mission. In view of the present delicate international situation they believed Mr. Taylor's assignment to be a gesture designated by President Roosevelt for the purpose of spreading good-will among the Catholics in the United States, Central and South America and in Europe.<sup>658</sup>

#### **195. Mr. Myron Taylor Sees Possibility of Russo-German Peace Move**

On September 10, 1941, the conversation of Mr. Taylor with the American Ambassador to France, Admiral William Leahy, and the American Ambassador to Spain, Alexander Weddell was reported from Barcelona by Japanese Consul Suma. Mr. Taylor believed that America's participation in the war at the present time was unlikely unless a major incident developed, or it became necessary to combat German-Russian peace moves. While Stalin questioned the motivation of British and American aid to Russia, he greatly feared the collapse of the Russian regime and at times it was thought that he planned to make peace with Germany. Depending upon the terms offered, Stalin might accede.<sup>659</sup> As far as the United States was concerned, it was anxious to avoid waging a war in the Pacific and the Atlantic at the same time. Although the United States would make no clear commitment in view of the consequences if Japan remained in the Axis, the American authorities would ensure that conversations between the two countries were not discontinued. If Japan broke with the Axis, the United States was ready to make "sizable concessions."<sup>660</sup>

Although the moving of English troops to Malay pointed to the opening of a joint British-American campaign, it was believed that the United States was unlikely to go as far as rendering "military assistance" until its relationship with Japan was more clearly defined.<sup>661</sup>

#### **196. Japan Changes Military Attaches in United States**

Foreign Minister Toyoda, on September 10, 1941 informed Ambassador Nomura that Major Hotsue Ishikawa who was already in the United States, had been appointed Assistant Military Attaché, replacing Lt. Col. Toshkizu Suzuki.<sup>662</sup>

#### **197. Freezing Order Necessitates Reorganization of Japanese Intelligence Activities**

Japanese espionage and intelligence organizations in the United States were affected by the freezing of Japanese assets. Consul Morishima in New York advised Tokyo on September 12, 1941 that even before the freezing legislation it had been decided to dismiss all persons of little value and to transfer to the Cultural Institute the most effective persons or groups in their employment. The most capable persons were to be diverted from the dissemination of propaganda to the collecting of intelligence and to espionage activities.

<sup>658</sup> III, 414.

<sup>659</sup> III, 415.

<sup>660</sup> III, 416.

<sup>661</sup> III, 417.

<sup>662</sup> III, 418.

After this reorganization had taken place, the freezing order had been set in motion by the United States and Japanese authorities, finding it impossible to maintain their elaborate plans, had decided to make temporary reduction in expense funds and salaries.<sup>663</sup> In readjusting their plans, Japanese officials at the New York Consulate had decided to discontinue publication of the *Living Age*, the *Foreign Observer*, and the *Far Eastern Trade* and the *Culture on Wheels Library*.<sup>664</sup>

They also planned to suspend distribution of films through the YMCA office and other agencies as soon as the Japanese contracts had expired, and to discontinue publication of books for propaganda purposes in connection with the *World Over Printing Enterprise*. The publications, the *Orient* and the *Japanese American*, were to be suspended because of the scarcity of funds for employees. Many Japanese employees would be kept on the payrolls although their monthly salaries would be greatly reduced after September.

#### **198. Freezing Order Curtails Japanese Intelligence Activities in America**

Readjustments in the Japanese civilian intelligence organizations continued to be the subject of dispatches from Consul Morishima in New York to Tokyo. On September 22, 1941 he said that the following of a more aggressive policy in connection with the Cultural Institute had been impossible because of the freezing of funds. Activities of the Institute had even been curtailed. The Library on Wheels, which had maintained a route hardly worth mentioning would be transferred to the Cultural Institute, and its driver would be dismissed from employment.<sup>665</sup>

#### **200. American Isolationists Oppose President Roosevelt's Speech on Greer Incident<sup>668</sup>**

In a press conference on September 5, 1941 President Roosevelt said that the German submarine attack on the U.S.S. Destroyer *Greer*, on the previous day, was deliberate and that United States warships would eliminate the U-boat once it was tracked down. President Roosevelt said that the attack took place on the American side of the Atlantic while the ship was enroute to Iceland with mail and that the attack occurred in broad daylight. The fact that the destroyer escaped did not minimize the seriousness of the incident.<sup>669</sup>

A report on this speech sent to Tokyo by the Japanese Military Attaché in Washington, believed to be Mr. Isoda, disclosed that such staunch isolationists as Colonel Lindbergh and Senators Nye, Gilette and Clark were strongly opposed to the President's attitude. German-American relations, in the future, Japanese officials felt, would depend largely upon Germany's actions, particularly in the Atlantic. Nevertheless, it could not be doubted that this latest incident had increased the chances of American participation in the European war.<sup>670</sup>

On September 11, 1941 President Roosevelt delivered a scathing attack on the methods of Germany and promised that the U.S. Navy would shoot aggressors on sight in the Atlantic.<sup>671</sup>

#### **201. Japanese Intelligence Reports on American Airplane Production**

On September 16, 1941 Consul Nakauchi in Los Angeles transmitted to Tokyo a detailed intelligence report concerning American airplane production. Not only were each of the airplane plants named specifically, but the size of orders filled by each plant, the number of

<sup>663</sup> III, 419.

<sup>664</sup> III, 420.

<sup>666</sup> III, 424, 425.

<sup>668</sup> Information in this section did not become available until February 1945.

<sup>669</sup> *New York Times*, September 1941.

<sup>670</sup> III, 426.

<sup>671</sup> III, 427, *Facts on File*, September 11, 1941.

employees and the total amount of monthly salaries paid were enumerated as well. The type of craft on order at various plants for the British and American armies was listed. It was estimated by Consul Nakauchi that at least forty per cent of the total orders had been placed in the Los Angeles area, while ten per cent was concentrated in the vicinity of San Diego.<sup>672</sup>

## 202. Japan Denies Interfering with American Rights

On September 17, 1941 more than a month after Ambassador Nomura had submitted to Tokyo a document from the State Department listing injustices to American citizens in Japanese occupied territory, the Foreign Minister replied that the items in question had been investigated by the departments concerned. Subsequently, such reports of interference or injustices could be clarified as (1) items of misunderstanding for which there was no basis of fact, (2) conditions which, for a time, due to certain circumstances, did exist, but which were now restored to normal and, (3) conditions which, because of the present state of things, still existed, but which Japan was considering restoring to normal as soon as their continuance was no longer necessary.

In referring to the infraction of the right of the Standard Oil Company to draw funds with which to pay its telephone bill, the Foreign Minister said that officials who had administered the freezing order were unaccustomed to the procedure and some inconvenience was experienced in the drawing out of funds. The conditions, however, were gradually being eliminated. In the case of individuals, restrictions had been eased up to make it possible for foreigners to withdraw funds deposited in their own names to the amount of 1,000 yen per month for living and other expenses consistent with this. Ambassador Nomura was to bear these facts in mind when he replied to the United States government.<sup>673</sup>

## 203. Ambassador Nomura Requests Change in Japanese Broadcasts

Because the 4:30 A.M. Japanese broadcast, as well as the 4:00 to 7:00 A.M. Domei broadcasts could hardly be heard, Ambassador Nomura asked that Tokyo consider changing the wave length. Although the Domei broadcasts had been excellent, by September 18, 1941, they had faded out completely. Furthermore, static had increased on the 8:30 A.M. broadcasts to the point where they could not be understood.<sup>674</sup>

## 204. Ambassador Nomura Reports on American Lend-Lease Shipments

Meanwhile Ambassador Nomura in Washington had been able to obtain from intelligence sources facts pertaining to the American Lend-Lease Act, which were transmitted by circular to Japanese representatives in London, Rio de Janeiro, Buenos Aires, Berlin and Tokyo. The Ambassador pointed out that out of the original \$7,000,000,000, which had been authorized, only \$6,200,000,000 had been allotted and as of September 18, 1941 the actual payment had not exceeded \$390,000,000.

According to the Japanese Ambassador, some progress had been made in the actual aid given, but what had been accomplished had not measured up to expectations especially for planes, tanks, machine tools, arms and ammunition. Of the amount of defense materials exported, which included arms and ammunition, airplanes and tanks, ships and agricultural products, the greater part had been shipped to England, Central Asia, Africa and the American countries. The reasons advanced by the Japanese Ambassador as to why progress had not come up to expectations was that the production process was still in the stage of development, and there was a shortage of shipping.<sup>675</sup>

<sup>672</sup> III, 428, 429.

<sup>673</sup> III, 430.

<sup>674</sup> III, 431.

<sup>675</sup> III, 432.

## 205. Freezing Order Creates Financial Difficulties for Japanese Diplomats

Financial difficulties were being experienced by the Japanese Legation staff in the United States as a result of the freezing order. On September 18, 1941 the Japanese Consul in San Francisco informed Ambassador Nomura in Washington of the salaries of himself, of Consul Kazuyoshi Inagaki, Vice-Consul Takahashi, Secretary Kensuke Sato, Secretary Shigero Imai, Secretary Kurata and Interpreter Hasizume. He advised Ambassador Nomura that the San Francisco branch of the Yokohama Specie Bank was handling each of the accounts listed as a separate checking account.<sup>676</sup>

## 206. Japan Stops Shipping Film to Germany Via America

On September 18, 1941 Consul Morishima in New York advised Tokyo to stop the shipment of Japanese film to Germany via San Francisco and Buenos Aires. Since certain documents which had been discovered by American customs officials in previous shipments had been played up greatly in American movie magazines, it was supposed that American officials would continue to "spite" Japan in this manner.<sup>677</sup>

## 207. German Attaché Discounts Probability of Japanese-American War

The Japanese Military Attaché replied to Tokyo on September 20, 1941 that the German Attaché in Washington believed that Great Britain would benefit from a Japanese attack on Russia, since it would lessen the danger to British interests further south. Nevertheless, he emphasized that both Great Britain and the United States would feel obligated to continue aid to Russia.<sup>678</sup>

Even though the Japanese Army were to invade the Netherlands East Indies and Singapore, the German Attaché said, the United States might be willing to overlook this aggression provided the Japanese military forces did not attack the Philippines nor block America's supply of tin and rubber from Malaya and the Netherlands East Indies. In the event that Japan did control tin and rubber by virtue of its conquests in the southwest Pacific, the German Attaché did not support the theory that the United States would immediately begin a devastating commercial war against Japan. He believed that the United States would delay further economic restrictions against Japan so long that they would be ineffective, for in the meantime Japan would have gained control of all the necessary materials of war.<sup>679</sup>

However, in evaluating these opinions of the German Attaché, the Japanese Military Attaché reminded his superiors that German and Italian officials were noted for being over-optimistic with regard to the Japanese-American situation. Therefore, it would be an unwise military policy for the Japanese government to order a further advance into the south Pacific on the basis of unfounded optimism, which he suspected was deliberately planned to impel Japan into a northern or southern drive. The Japanese official pointed out that in order to ensure a complete supply of war materials from Australia and India, the United States would be forced to augment its power in the Far East. Therefore, any further southward move by the Japanese forces would force the United States to enact some countermeasures. Although the United States might not actually enter in actual warfare with Japan, it was highly probable that the two countries would engage in severe economic warfare.<sup>680</sup>

<sup>676</sup> III, 433.

<sup>677</sup> III, 434.

<sup>678</sup> III, 435.

<sup>679</sup> *Ibid.*

<sup>680</sup> *Ibid.*

## **208. Japan Estimates the Number of Potential Evacuees from the United States**

### **(a) Report from Los Angeles**

On September 22, 1941, in answer to a special dispatch from Tokyo to its Consul in the United States regarding the dispatching of a special vessel to evacuate Japanese nationals, Consul Nakauchi transmitted an estimate of the number of persons who would have to be evacuated from Los Angeles. In this group were four government employees, 300 persons who were unable to finance transportation for themselves, and possibly 40 merchants.<sup>681</sup>

### **(b) Report from Portland, Oregon**

Japanese Consul Oka in Portland, Oregon informed the Japanese Embassy on September 22, 1941 in answer to the questionnaire regarding the evacuation of Japanese nationals, that none under his jurisdiction came under the category of those to be evacuated. Four or five, however, had no objection to being evacuated.<sup>682</sup>

### **(c) Report from New York**

Consul Morishima, in accordance with instructions concerning evacuees and Japanese Nationals, informed Consul Muto in San Francisco on September 24, 1941 that three or four students, a member of the Cultural Institute Director's family, two newspapermen and six railway and Tourist Bureau officials constituted the only group in the New York vicinity who had decided to leave the country at present. When conditions become more critical, however, approximately 160 to 180 businessmen and 30 students hoped to return home. It appeared that evacuation by American steamers was out of the question.<sup>683</sup>

## **209. Foreign Minister Toyoda Explains Evacuation of Russian Embassy Members**

On September 22, 1941 Foreign Minister Toyoda informed Ambassador Nomura in Washington that the Domei report of the evacuation of some fifty members of the Russian Embassy in Tokyo had given the United States the false impression that relations between Moscow and Tokyo were in a critical stage and that a wholesale evacuation was imminent. As a matter of fact, Mr. Toyoda said, all the Russians that had left Tokyo were the Ambassador's wife and children together with several members of the staff. There was nothing extraordinary in these few people quitting the Embassy in Tokyo at this time.<sup>684</sup>

## **210. Tokyo Learns that NBC Reception of Far Eastern Broadcasts Is on 24-Hour Basis**

The establishment of an NBC listening post in North Hollywood for the purpose of listening in on Far Eastern broadcasts was reported by Consul Nakauchi in Los Angeles on September 24, 1941. Six or seven RCA receiving units recorded broadcasts from Japan, China, the Netherlands East Indies, Malay, Thailand and possibly French Indo-China. The receiving station had been established in the private residence of an NBC technician in North Hollywood where five persons, technicians and translators, conducted a continuous listening service. Together with the personnel of the New York receiving station in Bellmore, Long Island, a staff of 22 persons were receiving Far Eastern Broadcasts 24 hours a day.<sup>685</sup>

Listening in on uncensored broadcasts, the Hollywood staff transmitted the information to New York by teletype when it believed the information to be of military value. The reception of

<sup>681</sup> III, 436, 437.

<sup>682</sup> III, 438.

<sup>683</sup> III, 439.

<sup>684</sup> III, 440.

<sup>685</sup> III, 441.

Japanese broadcasts, especially Japanese short wave broadcasts to the South Seas and to various Asiatic coast stations, as well as Manchurian, Chinese, and Palau broadcasts to Japan, were receiving concentrated attention.<sup>686</sup>

#### **211. Consul Morishima Deplores Optimism of Japanese Business Firms.**

A word of warning to Japanese firms which were inclined to regard Japanese-American relations with too much optimism was advised by Consul Morishima in a dispatch to Tokyo on September 26, 1941. He pointed out that the Yokohama Specie Bank was using the upward price trend of Japanese securities as indicative of a favorable turn in Japanese-American relations, while the Osaka Steamship Company had advised its branch officials to go ahead and meet their expenses and if they found themselves short, supplementary funds would be sent. The Japanese Consul believed that commercial firms and banks should be advised to await the actual turn of events before proceeding in this manner.<sup>687</sup>

#### **212. Japan Inquires Concerning the Releasing of Funds for Petroleum**

Although negotiating with the Chief of Bureau in Charge of Foreign Funds in Washington on September 20, 1941 Japanese officials received no encouragement in solving their problem of getting funds with which to purchase petroleum. To their suggestion that payment be made by money brought in via South America some consideration during the following week was promised, but payment in Japanese money was refused.<sup>688</sup>

An inquiry regarding the question of payment for petroleum was sent from the Chief of the Exchange Bureau to Finance Official Nishiyama in Washington on September 26, 1941. Since Japan found it necessary to hasten this matter it requested that the Finance Official learn the attitude of the United States.<sup>689</sup>

Four days later Finance Attaché Nobuo Yamada telegraphed that he was able to learn nothing at all from American officials concerning the matter of money with which to purchase petroleum. It would appear, he said, that the committee was arguing this matter and could reach no decision, although upon his subsequent inquiries, their attitude had appeared more and more unfavorable. The proposal that Japan transfer funds from South America had been made at the committee's suggestion, but when Mr. Yamada had accepted it, they had merely cancelled the plan and proposed another in its place. This, he said, gave them an excuse for further delay and refusals.<sup>690</sup>

#### **213. Ambassador Nomura Asks Tokyo to Allow Americans to Leave Japan**

On September 30, 1941 Ambassador Nomura advised that in spite of the fact that it would be impossible to get accommodations for all Japanese and Nisei in the United States to return to Japan, the 140 or 150 Americans in Japan should be given permission to leave. He pointed out that the United States attached a great deal of importance to allowing Americans to leave Japan.<sup>691</sup>

#### **214. Ambassador Nomura Requests Permits for Japanese Deposit Banks in America**

An inquiry concerning the procurement of funds was sent to Tokyo by Ambassador Nomura on September 30, 1941. He stated that the deposit banks of the Yokohama Specie Bank should be granted permits rather than the Yokohama Specie Bank itself, and inquired

<sup>686</sup>III, 442.

<sup>687</sup>III, 443.

<sup>688</sup>III, 444.

<sup>689</sup>III, 445.

<sup>690</sup>III, 446-447.

<sup>691</sup>III, 448.

whether the financial agreement covered these banks. The Yokohama Specie Bank carried accounts in branches which were located at San Francisco, Los Angeles, Honolulu, and Manila.<sup>692</sup>

## 215. Ambassador Nomura Requests that Cultural Institutions be Exempted from Freezing

Learning that \$6,500 in American money, which had been sent by the Philadelphia Christian College to a girl's school in Tokyo had been frozen, Ambassador Nomura suggested to Tokyo on September 30, 1941 that cultural institutions should be allowed to send money freely. If the Japanese Foreign Office could discuss this matter with American representatives in Tokyo, it might be possible to permit remittances between cultural institutions without freezing.<sup>693</sup>

## 216. Japan Requests Mutual Agreement in Evacuating Nationals and Returning Goods

Ambassador Nomura learned on October 2, 1941 that the sending of ships to evacuate Japanese nationals would be difficult as long as there was no promise by the United States not to detain these vessels by legal claims. Although the commandeering of passenger ships was being considered, Japan wished to avoid this step since such ships would be called evacuation ships. Promising to consider the possibility of sailing permits for Americans, if space permitted, the Foreign Office directed Ambassador Nomura to visit the State Department to make further arrangements.<sup>694</sup>

In case left-over goods were to be shipped from Japan, the United States should arrange for their export and at the same time grant permits to release goods which were to be sent to Japan. If special ships were sent from Japan, they would have to be completely excluded from all legal claims by an arrangement between the two governments.<sup>695</sup> Foreign Minister Toyoda declared that he was exerting every effort to settle this matter and expected Ambassador Nomura also to do his best.<sup>696</sup>

## 217. Japanese Foreign Minister Cites Instances of American Discrimination

Giving details of instances of alleged discrimination suffered by Japanese in the United States as well as Central and South America,<sup>697</sup> Foreign Minister Toyoda circularized a message to Peking, Tsingtao, Nanking, Shanghai, and Tientsin on October 2, 1941 which was designed to present Japan's viewpoint concerning the treatment of Americans.

During a trip made by Japan's Minister to Mexico, Mr. Yoshioki Miura, and Interpreter Shintaro Fukushima on September 15, 1941 their baggage had been examined by Pan-American Airway officials. Although no sealed documents had been molested, the Japanese officials had been refused permission to board the plane unless they would consent to the examination. Furthermore, Minister Yamagata, returning from Chile, had been informed by Pan American Airways officials of these same rules. When Secretary Terasaki had left Washington for a visit to Port of Spain, Trinidad, the Pan American Airways officials, saying that regulations required the search, had examined his luggage.<sup>698</sup>

Furthermore, when the *Heian Maru* had left Seattle in August, Japanese passengers had been submitted to physical examination during which both men and women were stripped to their underwear. When the *Asama Maru* left Los Angeles, also in August, Japanese passengers

<sup>692</sup>III, 449.

<sup>693</sup>III, 450.

<sup>694</sup>III, 451.

<sup>695</sup>III, 452.

<sup>696</sup>III, 453.

<sup>697</sup>See III, Part A, Section 12.

<sup>698</sup>III, 454.

had been stripped of their clothing and submitted to physical examination. However, when Japanese had embarked on the *President Taylor* at San Francisco and the French liner, the *Marshal Joffre*, no special physical examination had been given.<sup>699</sup>

The physical examinations, Foreign Minister Toyoda said, might have been made through a misunderstanding of the freezing order and through the fact that there had been a rumor that Japanese ships were carrying away cash in United States dollars. Since an agreement had been made recently between Japan and the United States not to examine the baggage of evacuating diplomats or to require them to submit a list of contents, it was thought unwise to subject Americans withdrawing from South China to physical examinations.<sup>700</sup>

#### **218. Japan Registers Its Nationals in United States for Military Service**

Because of the uncertainty of the mails, Consul Nakauchi in Hollywood doubted that all of the Japanese in his jurisdiction who would reach draft age in 1942 would be able to get their registrations in to Tokyo by the established deadline, November 30, 1941. Since these circumstances were beyond his control, he asked on October 2, 1941 that he be advised in this matter.<sup>701</sup>

#### **219. Japan Considers the Supplying of Oil to Russia an "Unfriendly Gesture"**

The question of America's supplying petroleum to Russia was the subject of a discussion between the American Consul and a Japanese official in Vladivostok, who asked if America did not consider the supplying of Russia with large quantities of petroleum, which Japan needed, an unfriendly course of action, disregarding the recent petroleum embargo issued by the United States against Japan. The American Consul replied that aid to Russia was the firm and fixed national policy of both England and the United States. Furthermore, only three American tankers, the *Fitzsimmons*, the *Associated* and the *St. Claire*, had arrived at Vladivostok, and the date of arrival of others was uncertain. If the United States should enter the war, American aid to Britain and to Russia would necessarily be diverted to Siberia.<sup>702</sup>

#### **220. Tokyo Requests the Addition of Four Japanese to Government List**

Ambassador Nomura was directed by Tokyo to list as government officials, Mr. Goroo Fukuyama, Assistant Professor at the University of Hokkaido, Mr. Shigeru Mishio, Assistant Professor at the Tokyo Imperial University, Mr. Kentaro Shimizu, Assistant Professor of Medicine at Tokyo University, and Mr. Shizuo Kakutani, Assistant Professor at the Osaka Imperial University. The names of Mr. Kuniichi Yamamoto and Dr. Hayakawa were not listed since they could not be called government officials.<sup>703</sup>

In preparing for the return to Japan of the Chiefs of the Tourist Bureaus and their staffs in New York and Los Angeles, Foreign Minister Toyoda directed that Ambassador Nomura request permits for their living and travel expenses.<sup>704</sup>

#### **221. Consul Sato Requests the Direct Evacuation of Japanese from Vancouver, Seattle and Portland**

On October 6, 1941 Consul Sato in Seattle informed Tokyo that the number of Japanese in Seattle, Vancouver and Portland who desired to return to Japan had increased by approximately 400 persons since the evacuation of Japanese businessmen from that area. If an evacuation ship touched port at San Francisco, a difficult situation would be created since territory

<sup>699</sup>III, 455.

<sup>700</sup>III, 456.

<sup>701</sup>III, 457.

<sup>702</sup>III, 458.

<sup>703</sup>III, 459.

<sup>704</sup>*Ibid.*

transit permits would have to be secured from American authorities in order that Japanese in Canada might come to San Francisco. Furthermore, they could come into the United States only in a closely guarded train which might be publicized jingoistically by the American press. Consul Sato suggested that not only the *Heian Maru* but also the *Kikawa Maru* be dispatched to that port, since the evacuees would probably increase in number and their baggage would exceed the capacity of one ship.<sup>705</sup>

With the plans for sending evacuation ships to the United States still uncertain, the Foreign Office requested that Ambassador Nomura secure a guarantee from the American government regarding the first ship, the *Tatsuta Maru*, as well as those to follow. Until such a guarantee were obtained, it would be impossible to arrange a fixed schedule. In view of the scarcity of vessels, it seemed improbable that a new schedule could be arranged upon short notice.<sup>706</sup>

Nevertheless, the Japanese discussed the matter again on October 10, 1941 with State Department officials who declared that until the fundamental problem of national relations was adjusted, there was no use trying to reach a settlement of such subsidiary problems.<sup>707</sup>

## 222. Freezing Order Forces the Evacuation of Many Japanese

Ambassador Nomura was notified by Tokyo on October 6, 1941 that the Yokohama Specie Bank's frozen accounts included all funds held by its deposit banks. Therefore, when appropriate monthly transfers were made from the frozen funds to diplomatic office funds, permits should be granted also to the Yokohama Specie Bank's deposit banks. Since the local National City Bank in Tokyo had virtually exhausted its funds, the Yokohama Specie Bank was considering presenting a proposal through its branch offices in the United States covering the transfer and circulation of Japanese funds in consideration of the transfer of a like sum to the National City Bank in Tokyo. Should the American authorities not agree, Ambassador Nomura was instructed to request of the State Department that definite revisions be made in the regulations then in force.<sup>708</sup>

Although Ambassador Nomura had expected that permits for the office expenses and allowances of Embassies and Consulates would be granted automatically, it appeared that difficulties had arisen. In the future even should there be a basic agreement in regard to reciprocal exemptions from the freezing order, its application would not be a simple affair. Consequently, there appeared to be no other way than to make application for permit for each separate occasion as it arose. It would be necessary to revise the amounts for the so-called government organs and since it would be inexpedient for a delay to occur in the permit for foreign diplomatic establishments and consulates, there was no other way than to have all those whose business had ceased to return to Japan at once. Since it would be impossible to say that members of the Tourist Bureau and students studying in the United States under the Department of Education were government officials, it would be necessary that they be returned to Japan.<sup>709</sup>

## 223. Consul Morishima Reports on an Anti-Axis Pamphlet

A pamphlet entitled "Hitler Intends To Destroy Japan", written by Alton Pettenkofer under the pseudonym of Else Weil, was the subject of a report from Consul Morishima on October 8, 1941. The pamphlet which was expected to appear in the November issue of the magazine,

<sup>705</sup>III, 460.

<sup>706</sup>III, 461.

<sup>707</sup>III, 462.

<sup>708</sup>III, 463.

<sup>709</sup>III, 464.

Asia, was, according to Consul Morishima, part of the propaganda published by the Committee to Defend America for the purpose of alienating Japan from Germany.<sup>710</sup>

#### 224. Japan Exhibits Interest in American Military Magazines<sup>711</sup>

The General Affairs Section of the Japanese Army exhibited great interest in the organization of America's military forces. On October 8, 1941 the Japanese Embassy in Washington was asked to forward the March, 1941 issue of the Army Directory and also the August issue of the Infantry Journal.<sup>712</sup>

#### 225. Ambassador Nomura Asks Tokyo to Send American Paper Money

On October 9, 1941 Ambassador Nomura notified Tokyo that the money order covering staff salaries for August as well as a notice that September's allotment had been sent by cable had been received, but that permission to cash them had not yet been granted. Having been forced to advance salaries out of secret funds on hand, the Japanese Ambassador estimated that he would need approximately \$60,000 to pay salaries and expenses in October, 1941. Although he believed the negotiation involving release of expense money would be successful eventually, he was certain that the difficulties involved in transferring this amount of cash would cause delay. For this reason, Ambassador Nomura asked that the director of the accounting section send by courier, possibly on the *Tatsuta Maru*, enough American paper money to cover expenses.<sup>713</sup>

On October 16, 1941 Foreign Minister Toyoda directed the Japanese Ambassador in Washington to arrange that the returning Japanese bring as much United States paper money as possible instead of sending their money by means of drafts, since recently there had been an increased demand for United States paper currency.<sup>714</sup>

#### 226. Ambassador Nomura Defends His Report Concerning Rumors in America

In answer to a dispatch from Ambassador Oshima, branding reports of negotiations between Germany and Russia before June, 1941 as false, which Tokyo had forwarded for the information of Japanese representatives in Washington, Ambassador Nomura declared on October 10, 1941 that he had not believed the intelligence concerning the negotiations and for this reason had sent it as a report of secondary importance.

Ambassador Nomura believed that at a time when such events as Hess's flight to England could occur, any report should be investigated from every possible angle. Likewise, he said, it would not seem logical for Germany brazenly to attack Russia without previous negotiations. In the future, should the contents of a spy report have a bearing on Japan or should the facts of a report have to be checked, Ambassador Nomura declared that he would continue to submit this type of intelligence report.<sup>715</sup>

While making arrangements for the remittances to pay for shipments of petroleum, the Japanese Financial Official in Washington learned that the export licenses of the Japanese firms exporting the petroleum had been cancelled. Upon investigation he found that these had actually been cancelled at the time the freezing order was issued, because the American authorities thought that the permits had been issued after the freezing order as a result of an oversight.<sup>716</sup>

<sup>710</sup> III, 465.

<sup>711</sup> Information in this section was not made available until June 1945.

<sup>712</sup> III, 466.

<sup>713</sup> III, 467.

<sup>714</sup> III, 468.

<sup>715</sup> III, 469.

<sup>716</sup> III, 470

Tokyo was informed on October 16, 1941 that the Secretary of State was advising temporary postponement of activities in regard to the matter of payment for petroleum because the United States was giving due consideration to the changes taking place in the Japanese government. As soon as Japan's political situation had crystallized the United States would decide immediately upon a course of action.<sup>717</sup>

## 227. Major Yano Arranges Anti-American Espionage

The Japanese officials stationed in the United States were planning an increase in anti-American espionage activities. After receiving instructions from the General Staff Headquarters in Tokyo, Major Yano, on October 10, 1941, was preparing to leave Washington with Japanese code books for an official trip to Mexico.<sup>718</sup>

## 228. Tokyo Releases the Schedules of Evacuation Vessels to Washington

On October 12, 1941 Foreign Minister Toyoda sent Ambassador Nomura the schedule of the evacuation ships. The *Tatsuta Maru* would arrive at Honolulu on October 24, 1941 and at San Francisco on October 30, 1941 leaving there on November 2, 1941.

The *Nitsuta Maru* would arrive at Vancouver on October 31, 1941 and at Seattle on November 1, 1941 leaving Seattle on November 3; while the *Taiyo Maru* would dock at Honolulu from November 1 to 4.<sup>719</sup>

## 229. Consul Muto Estimates Number of Potential Evacuees

Consul Muto in San Francisco, who appeared to be in charge of the evacuation, informed Tokyo on October 14, 1941 that approximately 130 first class passengers and 64 second class passengers from New York and Chicago were to be evacuated on the *Hikawa Maru* and on the *Tatsuta Maru*. He advised that the other 127 persons resident in Chicago who wished to return home should advise the New York Consular office. Under the jurisdiction of the Los Angeles office were 38 first class passengers, 25 second class passengers and 200 third class passengers who wished to return home. The number of those taken on at Los Angeles could, should the situation warrant, be increased by approximately 250.<sup>720</sup> After the evacuation had been made, the Consul hoped that others who remained and who might be anxious to return to Japan would inform the Consular Office.<sup>721</sup>

## 230. Japan Requests Permits for Japanese to Re-enter the United States

At this time Tokyo was requesting that Japanese who re-entry permits had expired or who had left wives and children in the United States and wished to return be granted re-entry permits. On October 13, 1941 the Foreign Minister requested that the State Department's reply in regard to this matter be sent by noon of October 14, 1941, and that in case the American answer should be further delayed Ambassador Nomura's opinion concerning the matter be sent.<sup>722</sup>

When Ambassador Nomura referred this question to the State Department he was informed that the matter had considerable bearing upon the question of permitting American citizens in Japan to leave the country. Telephone reports had revealed that American persons had found it necessary to secure nine different permits before they were allowed to leave Japan.

<sup>717</sup> III, 471.

<sup>718</sup> III, 472.

<sup>719</sup> III, 473.

<sup>720</sup> III, 474.

<sup>721</sup> III, 475.

<sup>722</sup> III, 476-477.

Consequently, there were many who were not able to board steamers for home. The State Department declared that until this matter had been discussed with competent authorities, it would have to postpone further reply. Ambassador Nomura at this point inquired of Tokyo as to whether any restrictions were being placed on American citizens who were endeavoring to leave the country. He asked that the departing Americans be delayed as little as possible so that their arrangements to board steamers for home could be facilitated.<sup>723</sup>

In regard to the evacuation of American citizens from Japan, Foreign Minister Toyoda on October 15, 1941 replied that Japanese regulations regarding the evacuation of foreigners applied to all non-Japanese and not to Americans only. At the suggestion of Ambassador Nomura, Japanese authorities were considering the elimination of as much red tape as possible at this time when Americans were desirous of returning home. Many Americans would, however, require two or three weeks to make preparations for leaving and, for this reason, would not be ready in time to sail on the ship scheduled to leave soon. This problem had nothing to do with the issuance of permits to leave the country, Foreign Minister Toyoda said, and furthermore, the American Ambassador in Tokyo should be fully cognizant of the situation.<sup>724</sup>

### **231. Japan Refuses to Recognize Yugoslavia**

Japan's recognition of Croatia rather than Yugoslavia was stressed in instructions from Tokyo to Ambassador Nomura on October 13, 1941. Although the interests of Yugoslavia in Japan had been taken care of by France since 1919, recently when England had presented a note that this care would devolve on the British Embassy, Japan replied that having already recognized Croatia, it did not recognize Yugoslavia, and such a representation could not be acknowledged.<sup>725</sup>

### **232. The United States Requests Fuel Oil For Its Tokyo Embassy and the Yokohama Consulate General**

On October 14, 1941 the State Department requested that a permit for fuel oil for heat and hot water for its Embassy in Tokyo and the Consulate General in Yokohama be granted, since the request of the Embassy and the Consulate General had been refused. Inasmuch as the efficiency of the work of the two offices was involved, the State Department had requested Ambassador Nomura to make a telegraphic request to the Japanese government for a permit for the immediate transportation of the fuel oil. Although Ambassador Nomura realized that it was difficult to accord American diplomatic establishments special treatment, there was also the problem of the supply of bunker oil for the *Tatsuta*, *Hikawa* and *Taiyo Marus* to consider. Ambassador Nomura recommended that the necessary permission be granted.<sup>726</sup>

### **234. Japanese Agents Note Shipment of Light Bombers to Russia**

An announcement by the United States War Department concerning the shipment of light bombers to Russia was reported to Tokyo on October 15, 1941. The planes, which appeared to be eighteen Douglas light bombers, had been purchased by the Peruvian government in Canada, but the United States had later withdrawn permit for shipment. Whether the planes would be shipped directly to Russia or would be sent by way of England was not known.<sup>728</sup>

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<sup>723</sup>III, 478.

<sup>724</sup>III, 479.

<sup>725</sup>III, 480.

<sup>726</sup>III, 481.

<sup>728</sup>III, 483.

### **235. Japan Received Documents from New York Consulate**

With Mr. Aoyagi, a Japanese Consulate official from New York, who was planning to return to Japan for family reasons and was scheduled to embark on the *Tatsuta Maru* on October 16, 1941, Consul Morishima planned to send the ashes of Mr. Hyukichi Watanabe and one suitcase of Watanabe's personal effects.<sup>729</sup> He pointed out that documents from the New York Consulate had already been sent to Japan with Courier Koga, who had sailed from San Francisco on September 9, 1941.<sup>730</sup>

### **236. Japanese Secret Agents Procure a Message Sent by Secretary Hull**

Tokyo was notified by its representative in Shanghai on October 16, 1941 that a Japanese secret agent had obtained a copy of Secretary Hull's reply of October 11, 1941 to the Consul General in Shanghai. The American Chamber of Commerce in Shanghai had appealed to Secretary Hull concerning the relaxing of the export license system and the control over exchange.<sup>731</sup>

### **237. The Japanese Ambassador to Turkey Suggests Declaration of War Against the United States**

On October 17, 1941 the Japanese Ambassador to Turkey, Mr. Sho Kurihara, in "submitting his humble opinion without reflecting on the presumptuousness of it", advised that Japan should adhere to the spirit of the Tripartite Pact and terminate the Japanese-American negotiations. It was his most ardent wish that Japan devote itself wholeheartedly to the establishment of the New Order in East Asia in harmony with its fixed national policy.

It was clear to the Ambassador that the Foreign Office was attempting to prevent, through Japanese-American negotiations, America's entry into the war and to effect a solution of the China Incident. Though realizing the necessity of solving the present crisis, he pointed out that little progress had been shown. Unless Japan changed its passive attitude of allowing English and American concessions and extra-territoriality, there was no hope of settling the problem. To negotiate further with America, which had oppressed Japan through the freezing order and other injustices, would result inevitably in the further encirclement of Japan, in which policy America was the ringleader.

Since America understood the absolute necessity of aiding England in order to overthrow Germany, the Japanese Ambassador declared that American participation in the war would be conditioned more by the future trend of the European war rather than by the surrender of Japanese rights in Japanese-American negotiations. Ambassador Kurihara was also disturbed because he had frequently heard remarks in Germany and Italy that Japan's attitude was that of an enemy. If Japan really had determined to fight, he believed that it would be best to end these negotiations immediately and to manifest a resolute attitude. The continuation of negotiations would not only jeopardize the settlement of the China Incident but would also permit the United States to participate in the European war.<sup>732</sup>

<sup>729</sup>III, 484.

<sup>730</sup>III, 485.

<sup>731</sup>III, 486. The Japanese dispatch containing Secretary Hull's message is not available.

<sup>732</sup>III, 487.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(b) *Japanese-Panamanian Relations***238. Japanese Officials Plan the Removal of Military Charts from Panama**

Early in the summer of 1941 arrangements had been made by the Japanese Minister in Panama to have copies made of secret charts showing the locations of equipment, guns and other military establishments in Panama. On June 27, 1941 it had been decided not to remove the charts from Panama until such time as a safe opportunity presented itself.<sup>733</sup>

On August 21, however, Minister Akiyama wired that he was still encountering considerable difficulty in finding a person to whom he could entrust the diagrams for delivery, although Colonel Yamamoto, Assistant Attache to the Embassy in Washington, had taken explanatory notes of the fortification maps with him when he had passed through Panama en route to Japan during the middle of July, 1941. In spite of the fact that no definite plans had been formulated, Minister Akiyama declared that the maps would probably be moved from Panama by the end of August.<sup>734</sup>

Inspecting military defenses, new equipment and establishments in the Canal Zone, six members of the House of Representatives Military Committee had arrived in Panama on August 23, 1941. Minister Akiyama reported to Tokyo on August 26, 1941 that the Congressmen had inspected defenses in Bermuda, Puerto Rico, Antigua, Trinidad and Georgetown.<sup>735</sup>

**239. Japanese Minister Asks Clarification of Duties of Subordinates**

Minister Akiyama presented his credentials to the authorities of Panama on August 28, 1941 and on September 10, 1941 Foreign Minister Toyoda informed him that his present duty was to include that of Minister to Costa Rica.<sup>736</sup> A few weeks after his arrival in Panama, Minister Akiyama found it necessary to clarify the positions of his subordinates at that post. He proposed that Mr. Izawa be appointed as Consul since at the present time this gentleman was responsible for collecting intelligences in the Canal Zone and for making contacts with outsiders. In order to clarify matters for the Panamanian officials who did not grant diplomatic privileges to anyone below the rank of consul, and at the same time to bring about order within the office, the Japanese Minister suggested that this promotion be considered. Since Vice-Consul Hara had been engaged chiefly in Commercial dealings, Minister Akiyama suggested that he be charged only with this responsibility.<sup>737</sup>

Six days later on September 18, 1941 having received no reply to his proposal, Minister Akiyama again asked concerning the reassignment of duties in his office. He pointed out that to remove Mr. Jusoku Ogawa from the office at the Foreign Minister's whim would do serious harm at this critical time, since it would cause confusion in the Legation and in the intelligence organization which was running smoothly at the moment. He asked that the personnel at the Ministry remain unchanged until he had received a reply to his request.<sup>738</sup>

<sup>733</sup> See Volume II, Part B.

<sup>734</sup> III, 488.

<sup>735</sup> III, 489.

<sup>736</sup> III, 490-491.

<sup>737</sup> III, 492.

<sup>738</sup> III, 493.

#### **240. Panama Investigates the Attack on the Sessa**

On September 9, 1941 the American State Department announced that the 1,700 ton United States-owned former Danish steamship, *Sessa*, carrying food and non-military supplies to the Icelandic government at Reyjavik, had been torpedoed and sunk on August 17. The ship, which had been taken over by the United States Maritime Commission in July, was under Panama registry.<sup>739</sup>

Whether the attack on the ship was made in belligerent waters or not would determine the attitude of the Panama government in regard to this affair, Minister Akiyama pointed out in a dispatch to Tokyo on September 12, 1941. According to a Presidential Order that had been issued on February 19, 1941 Panama had declared itself not responsible for any risk taken by a ship of Panama registry sailing in belligerent waters of any part of the world. The shipping companies would be responsible for the damage suffered in consequence of such action.<sup>740</sup>

Minister Akiyama further informed Tokyo that in August the German government had demanded the withdrawal of Panamanian consuls from European nations under German occupation, and Panama, in turn, had withdrawn its consuls not only from the German occupied countries but from Germany as well.<sup>741</sup>

Panama had not, however, withdrawn its Minister to Germany, Francisco Villalaz Castillo, and on September 16, 1941 it had instructed Minister Castillo to protect against the torpedoing of the *Montana*, also under Panama registry, and the *Sessa*, and to demand indemnities.<sup>742</sup>

#### **241. Panama's Foreign Minister Clarifies Panama's Position in Case of War**

In a talk with the Panamanian Foreign Minister on September 15, 1941 the Japanese Minister learned that Panama was obliged to cooperate with the United States in the defense of the Canal and that, furthermore, it was duty bound to join the war in case the Canal were attacked. However, in case the United States entered the war, Panama was not obliged automatically to do likewise. The Japanese Minister pointed out that Japan need have no concern as to whether or not shipments to Panama, and from Panama to Japan, would be held up in the Canal Zone since the United States had promised that no shipments would be stopped.<sup>743</sup>

On September 20, 1941 the Japanese Minister to Panama learned that he was also accredited as Japanese Minister to Nicaragua.<sup>744</sup>

#### **242. Minister Akiyama Estimates His Espionage and Propaganda Expenditures**

After having made a special study of the attitude of the United States, of the nature of the Panamanian people, and of the topography of Panama, Mr. Akiyama, in a dispatch to Tokyo on September 20, 1941 made an estimate of the money needed for enlightenment, propaganda and intelligence purposes. With a forewarning that the expenditure summary would be "hard to take", he begged that these per month expenses be considered carefully.

The estimate included bonuses for officials or spies assigned to observe the movements of warships or give warning about other matters; running expenses for the Japanese broadcasting office; money for special spies; funds to pay those who tried to obtain information as well as those who achieved results; and a separate fund to maintain contact with newspaper reporters and other agents. In addition, he listed a special fund for spying in the other countries

<sup>739</sup>*Facts on File*, 1941, 354H.

<sup>740</sup>III, 494, 495.

<sup>741</sup>III, 494.

<sup>742</sup>*Facts on File*, 1941, 366-G.

<sup>743</sup>III, 496-497.

<sup>744</sup>III, 498.

to which he was accredited. The total estimate amounted to an expenditure of \$730.00 per month.<sup>745</sup>

#### **243. Italian Maps of Panama Canal Shipped to Tokyo Via South America**

Meanwhile, it was learned that the maps of the military fortifications at Panama were being delivered to Japan by devious methods. Having been taken to Chile by Minister Yamagata, the maps had been carried by Assistant Attaché Usui from Chile to the Italian Ambassador in Buenos Aires, where the Assistant Attachés Kameda and Usui were present to ascertain that they were exact copies of the originals. The maps had been then sent to Tokyo by a Japanese Naval Courier, Mr. Tatuma, who was returning home on the *Buenos Aires Maru*. The Japanese Minister in Argentina requested on September 23, 1941 that the Italian government be notified at the time of the arrival of these papers in Tokyo.<sup>746</sup>

#### **244. Callao Merchants Forced to Secure Permits to Reship Japanese Goods to Panama**

Reporting that Callao shipping firms were reluctant to forward Japanese shipments, Minister Akiyama informed Tokyo on September 30, 1941 that these firms had been told that they must first secure permits from the United States for all Japanese shipments to Panama. Japanese merchants had been unloading their merchandise at Callao, since the right of Japanese vessels to enter the port of Panama had been abolished.<sup>747</sup>

#### **245. Foreign Minister Toyoda Requests Estimate of Number of Japanese Evacuees**

Foreign Minister Toyoda inquired on October 4, 1941 as to the number of Japanese nationals living in Panama, and where these persons could best be transferred. In case commercial and industrial restrictions went into effect, some of the Japanese people would be able to shift for themselves, others could get along through cooperation, some could turn to agriculture, but others would have to go to other countries. Foreign Minister Toyoda was interested in the number of Japanese nationals who would have to be removed from Panama.<sup>748</sup>

Answering the Foreign Minister's dispatch on the same day that it was transmitted, Minister Akiyama replied that although negotiations were going on, the prospects were gloomy and many frightened persons would seize upon the present situation as an excuse to return to Japan. He promised to cable a more detailed answer promptly.<sup>749</sup>

#### **246. Panamanian Official Denies Pressure by the United States**

Mr. Akiyama reported on October 8, 1941 that a certain high Panamanian official, in answering an article which had been published in the official newspaper, *La Tribune*, said that the present step taken by the Panamanian government in regard to protecting its ships had not been made in cooperation with any country and especially not with a certain friendly neighboring country. According to the official, ships sailing under the Panamanian flag had been the object of repeated attacks and were compelled to adopt a firm attitude to protect the honor of the Panamanian flag.<sup>750</sup>

#### **247. Minister Akiyama Inquires Concerning Japan's Acknowledgment of the New President and Cabinet**

In a message to Tokyo on October 10, 1941 the Japanese Minister asked permission to acknowledge the new President of Panama in the name of Japan. According to a statement

<sup>745</sup>III, 499.

<sup>746</sup>III, 500.

<sup>747</sup>III, 501.

<sup>748</sup>III, 502.

<sup>749</sup>III, 503.

<sup>750</sup>III, 504.

made by a Panamanian official at the Foreign Office, there would be no formal inauguration ceremony for the President and the new Cabinet; instead, the departmental corps merely would be advised of this action. As to the policy of the new Cabinet, it was opposed to the Nationalist principles which had governed previous Cabinets and had issued a statement that it would place primary emphasis on democratic plans and personal freedom. Since it would, at the same time, work in close cooperation with the United States, the Foreign Minister believed that it was virtually a puppet in the hands of this government.<sup>751</sup>

Although the actual situation remained largely unknown to most of the foreign press, it had become clear that the new administration was more or less sympathetic to the United States and its policies. It was also apparent that the new president had been influenced by the American political system and its political personnel. Moreover, because of his close association with the United States during his years in exile, he had been exposed to American political thought and its influence.

The new president's attitude toward the United States was reflected in his speech before Congress on January 20, 1940. In this speech, he paid tribute to the United States as a "great nation" and "a great power" which had "done much to help us in our fight against fascism." He also stated that the United States had "done much to assist us in our fight against fascism" and that the United States had "done much to assist us in our fight against fascism." He also stated that the United States had "done much to assist us in our fight against fascism."

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<sup>751</sup>III, 505.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(c) *Japanese-Philippine Relations***248. Japanese in Philippine Islands Request Passage to Japan**

Mr. Katsumi Nihro, Consul to the Philippine Islands, reported to Tokyo on August 6, 1941 that approximately 1700 Japanese had requested accommodations to Japan. The unrest in the Philippines which had quieted down after the freezing order had been instituted, was now being revived since Japanese ships were gradually ceasing to come to the Philippines. Although the Consul was doing everything in his power to discourage the departure of Japanese nationals, he nevertheless advised that the Foreign Minister dispatch evacuation ships immediately to the Philippine Islands.

Of the evacuees, the greater part were women and children who would require third class accommodations. In case only one or two ships were available, it might be possible to ferry passengers between the Philippine Islands and Formosa. It was possible that American and French vessels could be used between Manila and Shanghai, but only a small portion of the Japanese nationals were able to purchase first and second class passage on these vessels. Because there were many in the Philippine Islands who "in their innermost hearts would like to return to Japan because of the present situation and the poor business conditions", and who had not yet applied for passage home, he felt that those who had applied should be dispatched as soon as possible.<sup>752</sup>

The Japanese Consul in Manila again reported on August 8, 1941 that in comparison to the Filipinos, Japanese who had come to Manila from outlying districts had, on the whole, maintained a calm which was astonishing to Americans and Filipinos alike. The Japanese women and children who had solemnly expressed their desire to be evacuated, felt that it was the responsibility of Japan to effect the evacuation even though it might cause inconvenience. The forbidding of Japanese passenger ships to enter the port of Manila had greatly increased the unrest. For this reason, the Japanese Consul asked that the Foreign Minister consider carefully this request.<sup>753</sup>

After learning of the suspension of overseas shipping by Japan on August 9, 1941 the Consul General continued to be very much concerned about the safety of the Japanese in the Philippine Islands in view of the inadequacies of the police system. Because of the possibility of war with the United States, he urged that ships be kept available for prompt evacuation.<sup>754</sup>

**249. Consul Kihara Discusses Plight of Japanese Nationals with President Manuel Quezon**

To present the problem of obtaining protection for Japanese residents in the event of war between the United States and Japan, the Japanese Consul to Manila, Mr. Jitaro Kihara, called on Mr. Manuel Quezon, President of the Philippine government. When the Japanese Consul said that he would appreciate being advised of any plans which had been drawn up in this respect, President Quezon replied that Japanese residents might be forced to experience considerable hardships, depending upon the character of the person selected as the Commander-in-Chief of the Far Eastern forces. Although he had experienced many anxious moments concerning the situation, the appointment of General Douglas MacArthur had dispelled his worries, President Quezon said, for he felt that they could work together in harmony. He had not been able to get along with High Commissioner Francis B. Sayre.

<sup>752</sup> III, 506.

<sup>753</sup> III, 507.

<sup>754</sup> III, 508.

President Quezon pointed out, however, that if war did actually come, he and his Cabinet would be subordinated to the United States. In a recent conference with General MacArthur, he had stated that he was particularly interested in giving foreign residents every possible protection. President Quezon believed that it was quite possible that the United States would deem it necessary to place those persons in concentration camps. Jitaro Kihara then declared that as long as the Japanese nationals were not subjected to undue pressure, they would cause no trouble for they had been urged to remain calm and patient. Because of American propaganda and the anti-Japanese attitude of the general public, however, he could not guarantee that the Japanese residents would not take some measures to defend themselves, if war should break out.<sup>755</sup>

#### **250. Consul Kihara Plans to Protect Japanese in Case of War**

According to a tentative plan advanced by Consul Kihara, Japanese residents should be congregated in school, business and club buildings to facilitate their protection by the Philippine officers. President Quezon agreed with Mr. Kihara that such a plan would be mutually beneficial and added, that until the termination of the hypothetical war, or until the Japanese forces took the area over, there was need to store about six months supply of food for these people. President Quezon said that he would again confer with General MacArthur on this subject.<sup>756</sup>

#### **251. Consul Nihro Reports Trend Toward Philippine Independence**

In an intelligence dispatch sent on August 6, 1941 the Japanese Consul reported that the question of Philippine independence had been raised again in the American Congress. In spite of the fact that General Aquinaldo had openly supported the proposal, the American government and influential politicians in the Philippine Islands had not commented on it.<sup>757</sup>

The Philippine government and Congress had already approved the policy of granting Philippine independence in 1946, and according to a newspaper comment, political independence was already a "closed" question. By the time actual independence had been reached, it was felt that conditions would somehow have adjusted themselves in spite of the critical conditions in the Far East.

The Consul felt assured of the coming of Philippine independence in spite of Mr. Paul V. McNutt's opposition to it in his speech of July 7, 1941. In addition, a United States Congressman had said that Mr. Elisalde, a Philippine official in the United States, had been in favor of a resurvey of the movement for Philippine independence and that this movement was gradually becoming stronger in the United States Congress and in the American government. It was possible that this question would be reviewed in the American-Philippine conference, scheduled to be held in 1944, which was stipulated by the Tydings-McDuffie Act. For this reason, the Japanese Consul felt that it was necessary in the future to pay full attention to the attitude of the United States.<sup>758</sup>

#### **252. Filipinos Predict Japanese Occupation of Thailand**

On August 7, 1941 an intelligence report of the Philippine reaction to the occupation of French Indo-China was made to Tokyo. In general, Consul Nihro said, the people took it for granted that the Japanese occupation of Thailand could not be prevented. This move, the Filipinos felt, would probably take place after about two months, since that amount of time would be required for Japan to solidify her occupation of French Indo-China.

<sup>755</sup> III, 509

<sup>756</sup> *Ibid.*

<sup>757</sup> III, 510.

<sup>758</sup> *Ibid.*

Although people were watching the British military fortifications and construction work in the Far East and though much was being made of Britain's stiffened policy, it was generally believed in the Philippines that the attitude of the United States was not strong. For the substantiation of this belief, the people pointed to the speedy settlement of the Tutuila incident. Local newspapermen in the Philippines believed that war between Japan and the United States was a possibility but that it could be avoided if the French Indo-China and Thailand incidents were settled by an agreement.<sup>759</sup>

### **253. Consul Nihro Suggests Japanese Propaganda Against American Business Methods**

According to Consul Nihro, many unfortunate problems were arising in regard to goods purchased in the Philippine Islands, and important people were gradually being aroused. In case licenses for iron ore were denied and Japanese ships detained, Japanese officials could use such action in their propaganda to convince the Filipinos that the United States had caused Japan to stop business dealings with them. This would anger the Filipinos and would harm the United States.

On the other hand, if Japan obtained permits, ships must be made available to transport the materials. In this event, the yearly amount of Japanese exports would total 900,000 tons, which could be brought in by monthly installments.<sup>760</sup> In the matter of the purchase of hemp, although permits were being withheld at the present time, the Japanese Consul believed that Japan could eventually procure as much of it as America did not consume.

As to the purchase of molasses, it was doubted that the United States would include this product among quota goods since Japan had been the chief molasses consumer. Considering the fact that there was an annual exportable amount of 50,000 tons of molasses, Japan could continue its purchases for the time being. The Japanese Consul suggested, however, that these dealings take place as inconspicuously as possible.<sup>761</sup>

### **254. Consul Nihro Requests Continuance of Japanese Shipping**

That Japan endeavor by every means possible to maintain trade with the Philippine Islands was suggested by Consul Nihro in a summary of the Japanese-Philippine trade situation on August 12, 1941. If the lack of Japanese shipping to Manila and Davao persisted, the Philippines might become antipathetic so that if Japan wished to resume its purchase of such items as iron ore, it would be unable to do so. For this reason, Consul Nihro urged that ships should be dispatched immediately to the Philippine Islands to get the iron ore and other quota goods, and at the same time permits should be procured to bring in a corresponding amount of Japanese goods.<sup>762</sup>

### **255. Consul Nihro Urges Protection of Japanese Trade**

That American ships plying between Japan and the Philippine Islands be exempt from the application of trade restrictions was suggested to Tokyo by Consul Nihro on August 12, 1941. Not only did the regulations apply to Japanese companies making their headquarters in the Philippine Islands, but also to foreign companies with offices in Japan. Therefore, in order that all trade between these two points not be discontinued entirely, he felt that the American companies should be exempted.<sup>763</sup>

Emphasizing the fact that it might become necessary for all trade between Japan and the Philippine Islands to be shut off, the Japanese Consul pointed out that in spite of the regu-

<sup>759</sup> III, 511.

<sup>760</sup> III, 512.

<sup>761</sup> *Ibid.*

<sup>762</sup> *Ibid.*

<sup>763</sup> III, 513.

lations for the freezing of funds, comprehensive permits were yet obtainable. He disapproved any plan for stopping the export of Japanese goods, since it would result only in the closing down of approximately 600 Japanese retail companies in the Islands. Furthermore, since the textile industry looked to Japan for raw materials, any order calling for the stoppage of this supply would endanger the existence of many Japanese factories.

Other factors which he felt should be considered in any decision in this matter were: "there was little danger that Japanese ships would be seized; the stoppage of Philippine export quota goods would have a bad effect on the attitude of the Filipinos toward Japan; permits could still be secured for the exporting of iron ore and hemp; and Japan was only a few days distant by sea from the Philippine Islands".<sup>764</sup>

#### **256. Consul Nihro Request Permits Be Granted to Receive Funds in Japan**

Another suggestion forthcoming from Japanese Consul Nihro on August 12, 1941 was that the requiring of permits for relatives in Japan to receive money from Japanese residents in the Philippines be abolished. It was possible for Japanese nationals to secure permits to send between 200 and 400 pesos to their families in Japan, but since persons in Japan receiving these drafts must first secure permits to receive the money, the Japanese in the Islands were afraid that their families would be unable to obtain the necessary permits.<sup>765</sup>

#### **257. Consul Nihro Plans to Agitate Against the United States**

Consul Kihara was advised by two confidential sources on August 8 and 10, 1941 that the time was ripe for agitation in the Philippines against the "landlords". Following out previous instructions which had been sent by Tokyo, Mr. Kihara had made arrangements to begin the agitation. Consul Nihro declared that in view of the current changes in the Philippine government and the great concern which was felt in the Philippines over the international situation, Japan should now take a firm position.<sup>766</sup>

#### **258. Foreign Minister Toyoda Restrains Consul Nihro from Disturbing the Diplomatic Situation**

On August 15, 1941 Foreign Minister Toyoda directed Consul Nihro to drop all plans to make the Filipinos antagonistic towards the United States. The Japanese Consul was told to endeavor to maintain the status quo until such time as a solution could be reached on the main problem.<sup>767</sup>

#### **259. Japanese Plan Broadcast to the Philippines**

On the occasion of President Quezon's birthday a discussion of Japanese-Philippine relations was to be the subject of a radio address in Spanish by General Rikarute, a political refugee residing in Japan. Consul Nihro was directed to make arrangements for publicizing the 10 minute broadcast, which was to be heard at 10:50 P.M. on August 19, 1941.<sup>768</sup>

#### **260. Japanese Businessmen Return to Japan**

In reassuring Foreign Minister Toyoda on August 16, 1941 that there was little need for concern in regard to Mr. Nagao and Mr. Uyeno, members of the "Kinyo Kai", a Japanese association, Consul Nihro said that both would return to Japan aboard the French Steamship *Marshal Joffre*, sailing on August 18, 1941. They were returning home, partly for the purpose

<sup>764</sup> III, 514.

<sup>765</sup> III, 515.

<sup>766</sup> III, 516.

<sup>767</sup> III, 517.

<sup>768</sup> III, 518.

of making a report, and would leave again when the political situation had become more stable and future prospects more certain. Many Japanese businessmen had already returned to Japan, the Consul reported, since it had become impossible for them to engage in their work.<sup>769</sup>

#### **261. Japanese Consul Requests Housing Facilities in Shanghai for Japanese Evacuees**

On August 19, 1941 the Japanese Consul in Manila requested temporary housing in Shanghai for transient Japanese enroute from Manila to Japan. Owing to recent developments in international relations and the resulting unrest, as many as 370 Japanese had applied for passage on the French steamer, *Marshal Joffre*. Since approximately 200 of these had no connections in Shanghai, Japanese groups in Shanghai were asked to provide lodging facilities for these passengers in primary schools and other buildings. Furthermore, it was requested that state-rooms be reserved on ships sailing from Shanghai to Japan.<sup>770</sup>

#### **262. State Department Official Discusses American Policies**

In reporting a conversation between Mr. L. E. Salisbury, State Department aide to the High Commissioner, and a Japanese official in Manila, Consul Nihro advised Tokyo on August 21, 1941 that America seemed to have no intention of altering its policy toward the Orient. According to the Japanese Consul, America's attitude as expressed by Mr. Salisbury conveyed the impression that there was nothing to do but await the impoverishment of Japan which was expending all its strength in French Indo-China and Thailand. Since America's objective was the destruction of "Nazism", it was necessary to extend aid to Russia. However, after the overthrow of Germany there would immediately be a change in American-Russian relations.

The Japanese official learned from Mr. Salisbury that there was great dissatisfaction in the United States regarding the aid to Russia program, but in the Philippines attention was focused on the steps Japan would take in regard to American shipment of materials to Russia.<sup>771</sup>

#### **263. Ambassador Nomura Encounters Difficulty in Handling Japanese-Philippine Problems**

On August 22, 1941 Ambassador Nomura in Washington notified the Japanese Minister in Manila that at present Japanese-American relations were being handled as political problems, which was not a simple procedure. He requested, therefore, that the matter be taken care of in Manila as the Japanese Minister thought best. In the present situation, Ambassador Nomura found it impossible to negotiate for such things as Filipino cotton goods agreements even though this matter was handled by leading American businessmen.<sup>772</sup>

#### **264. American Officials Apply Freezing Regulations Leniently**

Extreme leniency in the application of the freezing order in the Philippine Islands was reported by Consul Nihro to Tokyo on August 22, 1941. Although the authorities had demanded that the banks submit statements of balance as of August 11, 1941, they had evinced interest only in business amounting to more than 2,000 pesos. Furthermore, they had been extremely cautious in the investigation, fearing that they might interfere with the banking business. Frozen accounts of small amounts had been ignored, though particular attention had been paid to banking businesses in which 5,000 or more pesos were involved.

Even in case of frozen funds the authorities had permitted the issuance of comprehensive licenses for remittances necessary for paying family expenses. Leniency had been shown in classifying Japanese nationals, and the practice of carrying on trade without remittances or

<sup>769</sup> III, 519.

<sup>770</sup> III, 520.

<sup>771</sup> III, 521.

<sup>772</sup> III, 522.

application for license had been permitted when commercial evidence was submitted. No objection had been offered to the furnishing of money to Japanese associations for the next month, and remittances to Japanese newspapermen were allowed.

In addition, as a temporary measure after August 22, 1941, it had been decided to allow Japanese travellers to carry as much as 400 pesos when leaving the country. Consul Nihro reported that he had endeavored to be as efficient as possible in applying for licenses and he had requested that the same exemption from submitting reports be accorded Japanese businessmen as was accorded Chinese businessmen. He believed that these requests would receive favorable consideration.<sup>773</sup>

### 265. President Quezon's Illness Delays Trade Negotiations

On September 1, 1941 Japanese officials at Manila were attempting to negotiate a trade agreement whereby it would be possible to procure needed goods from the Philippines. It was reported, however, that negotiations were being held up owing to President Quezon's illness. The date fixed for putting this agreement into effect would depend upon the convenience of the firms concerned and the availability of steamers.<sup>774</sup>

Instructions that Consul Nihro establish contact with President Quezon and the new Secretary of the Interior, Mr. Rafael R. Alunan, were sent by Foreign Minister Toyoda on September 6, 1941. He pointed out that while the commercial negotiations were being carried on, it would be necessary for the Japanese Consul to participate often in regard to current questions.<sup>775</sup>

### 266. The Japanese Attempt to Procure Molasses Export Permits

Since September 1, 1941 (Labor Day) was an American holiday, Consul Nihro reported that it was impossible to talk with the High Commissioner concerning a new export permit for the first ship which would arrive in the Philippines to load molasses. The merchants, however, were optimistic regarding the permit. The Japanese Consul added that he would investigate the possibility of securing lumber and wire.<sup>776</sup>

### 267. Japanese Optimism Concerning Trade Permits Is Dispelled

Japanese optimism concerning normal trade relations was dispelled by a rumor reported to Tokyo on September 2, 1941. Philippine dealers had learned from a source considered to be reliable that under discussion was a proposal which was designed to prevent exporting by applying the export license system to all goods to be shipped to Japan and French Indo-China. Mr. Noble, the chief export control official, had informed Japanese lumber dealers that he believed the exporting license system would apply to logs and to all kinds of soft woods.

The export official had given no definite reply when questioned concerning the exporting of molasses, saying that the matter was now being referred to Washington. Under the circumstances, Consul Nihro suggested that the dispatching of the *Kaisoku Maru* be delayed for a time.<sup>777</sup>

Upon further investigation, the Japanese Consul learned that no cancellation would be ordered for items already permitted, barring, of course, that no unforeseen incident broke out in the meantime. The official in charge had been unwilling to speak definitely on the matter since he had not yet received instructions from Washington as to how the export

<sup>773</sup>III, 523.

<sup>774</sup>III, 524.

<sup>775</sup>III, 525.

<sup>776</sup>III, 526.

<sup>777</sup>III, 527.

license system would be applied. Upon Consul Nihro's request for a permit for the *Kaisoku Maru*, the official had given no definite reply but had asked merely that the dealers file an application.<sup>778</sup>

On September 4, 1941, the Japanese Consul to the Philippines reported extreme leniency in the physical examination of Japanese who were entering the country. The leniency of examining authorities had been particularly marked in the investigation of venereal diseases.<sup>779</sup>

#### **268. Consul Nihro Requests Lenient Handling of Americans Passing Through Customs**

Consul Nihro declared on September 4, 1941 that as a result of legislation freezing funds and regulating exports, Japanese nationals in the Philippine Islands greatly feared ill-treatment upon their leaving the country. Adding to this fear was a statement in a local English language newspaper that the officials in Japan and Shanghai had been extremely rigorous in their examinations of students sent out by the Philippine government, who had recently returned from the United States to their homes in the Islands.

Since many more Japanese were coming and going in these islands than were Americans and Filipinos passing through Japan and Shanghai, Consul Nihro asked that all possible arrangements be made to ensure lenient handling of American nationals.<sup>780</sup>

#### **269. Consul Nihro Requests Suppression by Tokyo of Inflammatory Newspaper Statements**

Believing that certain newspaper reports made in a Shanghai newspaper were inciting dissension, Mr. Nihro asked on September 4, 1941 that they be suppressed by Tokyo. Far from the truth, he declared, was the statement which had appeared in the *Mainichi* newspaper in Shanghai that Japanese residents in the Philippine Islands were resisting as best they could the pressure of American and Filipino authorities. An editorial comment in the same paper to the effect that Japanese fishing boats were barred from the Islands because of the antipathy of the Filipinos, as well as other false statements, had greatly embarrassed the Japanese attempting to do business in the Islands. Authorities in Japan were asked, therefore, to exert their best efforts so that such uncalled for statements would not be made in the future and that such editorial comments would not be printed in the papers in Shanghai.<sup>781</sup>

#### **270. Japanese Are Denied Molasses Permits**

Having been notified that Washington would not permit the loading of molasses, Japanese Consul Nihro demanded on September 4, 1941 that this matter be reconsidered. However, since delay would be created by a second appeal to Washington, he thought it best to direct the *Kaisoku Maru* to return to Japan. He added, for the information of the Japanese Foreign Office, that molasses was not a permit item.<sup>782</sup>

Although Mr. Wuyirobii had the authority to cancel export permits for iron ore, he had given the Japanese Consul his word that such cancellation would not be made. For this reason, Foreign Minister Toyoda was asked to dispatch a ship as quickly as possible.

A few days later a plan was evolved by Consul Nihro to have interested Filipinos apply for permission to export molasses and other goods. He believed, however, that the possibility of loading products successfully was very small since most Filipinos would "pull in their necks" when the necessity of American-Philippine cooperation was explained to them or when they were asked if they intended to revise the policy of the United States. In case this

<sup>778</sup>III, 528.

<sup>779</sup>III, 529.

<sup>780</sup>III, 530.

<sup>781</sup>III, 531.

<sup>782</sup>III, 532.

attempt should fail, the Japanese intended to use the restriction of Japanese-Philippine trade for propaganda purposes.<sup>783</sup>

Consul Nihro declared on September 9, 1941 that the British Consul General had been watching the recent increase of exports to Japan and had called the attention of the Americans to the shortage of fuel. In view of this fact, Consul Nihro believed it to be unwise to ask for a reconsideration of the American refusal to grant permits. Since it appeared that arrangements were being made for the resale of goods previously designed for Japan, and as there was a considerable demand within the Islands for fuel, the Japanese Consul suggested that the matter be abandoned.<sup>784</sup>

### 271. Lack of Shipping Curtails Japanese Mail to the Philippine Islands

Consul Nihro suggested to Tokyo on September 5, 1941 that the East Asia Bureau have mail routed to the Philippine Islands via Shanghai, since many of the Japanese residents in the Islands were concerned because they had received no mail from home. Since the mail would be transported from Shanghai to the Islands on foreign ships, he advised that the contents be examined before sending mail from Japan.<sup>785</sup>

Foreign Minister Toyoda replied on September 9, 1941 that the Bureau of Communications was giving study to this matter of transportation of mail. Since the French ships sailing between Shanghai and Saigon were routed by way of Hongkong, where they were inspected, this route was not a desirable one for Japan to use. However, if Consul Nihro could discover whether French ships were sailing directly from Shanghai to Manila, he was asked to inform the Foreign Office of this fact. At the present time, the Bureau was considering the use of Japanese ships from Shanghai to Saigon and of French ships from Saigon to Manila.<sup>786</sup>

### 272. Mr. Nihro Inquires Concerning Japanese-American Negotiations

In view of the lack of funds to carry on the work of the Consul General, Mr. Nihro requested on September 11, 1941 that the Japanese Foreign Office advise him of the present status of Japanese-American negotiations. He had believed that the work could be carried on for perhaps two months with the funds on hand, but since it now appeared that negotiations would continue for a much longer period than was previously anticipated, the Japanese Consul was disturbed about the future. Since he had also learned that the New York branch office of the Tourist Bureau was soon to be closed, he asked that instructions be sent from the Tourist Bureau's home office.<sup>787</sup>

### 273. Consul Nihro Rules Against Competition Among Japanese Firms

To avoid difficulties which might result from American authorities noticing competitive activities among Japanese firms, Consul Nihro informed the Foreign Office on September 12, 1941 that he had forbidden certain firms to wire Japan. Asking the Foreign Office to form a pool for the firms in order to keep them from competing, he suggested that one company should be appointed to handle all the business of a certain type, as in the case of importing hemp or lumber, and this company alone should send telegrams.

In a recent conference with Mr. Yuirobyii, the Japanese Consul found that lumber exports would be governed by a general license since this was a non-remittance export. How this system would apply to logs was not certain, and in case the matter was not clarified soon, it was agreed that an inquiry should be wired to the High Commissioner's Office.<sup>788</sup>

<sup>783</sup>III, 533.

<sup>784</sup>III, 534.

<sup>785</sup>III, 535.

<sup>786</sup>III, 536.

<sup>787</sup>III, 537.

<sup>788</sup>III, 538.

#### 274. Japan Decides Against Subsidizing Philippine Political Candidates

Although in the Philippine Islands the Japanese had been following the policy of subsidizing political candidates who, if elected, would cooperate with Japanese officials, it had been previously decided (See Volume II—Japanese-American Relations) to investigate the characters of candidates very carefully, as well as to discover their chances for election. On September 4, 1941, Consul Nihro notified Tokyo of the details of a particularly turbulent political race being held in the "Jyu" election district. The Governor, belonging to the opposition party, had suspended the chairman of the "Jyu" faction and as a result President Quezon had suspended the Governor. Consequently, the election district was declared open to free political candidates.

Believing, however, that open support of this pro-Japanese candidate would be dangerous, even if the district were limited to officially recognized candidates, the Japanese Consul asked permission to report the impossibility of raising the necessary funds though Mr. Enoshima in Japan, would somehow try to raise the necessary 5,000 pesos by the time of the election.<sup>789</sup>

On September 13, 1941 Foreign Minister Toyoda advised Consul Nihro that Mr. Enoshima had informed Mr. Kakiage that he was experiencing difficulty in raising funds at the present time, furthermore, there was no way of making remittances. In view of the fact that the candidate did not comply with Japan's wishes and there would be various other candidates whom Japan might wish to assist, no further aid could be extended at this time. The Japanese Consul was directed to make a reply along this line.<sup>790</sup>

#### 275. Consul Nihro Reports Political Strife in the Philippines

Local altercations between members of rival political parties were creating a critical situation, the Japanese Consul at Manila reported on September 16, 1941. A Filipino had attempted to kidnap the secretary of the Ko Mon Kai in retaliation for an attempt by staff members of the local branch of the Nationalist party to murder a member of the Simpoto faction. Since officers of the Toa Simpoto as well as 50 members of the Nationalist party had been placed on the black list, the Simpoto party was attempting to retaliate by force. The Chinese Consul claimed, Mr. Nihro reported, that he was not familiar with the details of the incident.<sup>791</sup>

Foreign Minister Toyoda commented that the problem of the conflict between the Ko Mon Kai Society and the Nationalist Party was of greater importance to Japan than the differences in the negotiations at Manila. He directed the Vice Consul at Saigon, therefore, to get in touch with Manila to aid the Ko Mon Kai Society and to limit the disturbances as soon as possible since the main objective of the negotiations was to get control of the Ko Mon Kai and to allow its members to work out their own ideas.<sup>792</sup>

#### 276. Japanese and Philippine Diplomats Postpone Negotiations

Consul Nihro reported the details of an interview he had with Mr. Rafael R. Alunan, Secretary of the Interior on September 17, 1941.

Accompanied by Mr. Kihara and Mr. Morokumo, Consul Nihro was informed that the status quo in regard to trade between Japan and the Philippine Islands would be maintained until 1946 at which time, because of the newly acquired independence of the Philippines, open negotiations in regard to the land problem could begin. Mr. Kihara had then presented a memorandum regarding the preservation of the status quo, and Secretary Alunan had promised to deliver it to President Quezon on the following day.

<sup>789</sup> III, 539

<sup>790</sup> III, 540,

<sup>791</sup> III, 541.

<sup>792</sup> III, 542

After meeting with President Quezon on September 18, 1941, Secretary Alunan had left on urgent business for a trip into the country. As a result, though he had telephoned Mr. Morokumo that there was no reason why Mr. Kihara should not return to his post, he had reported very little of his interview with President Quezon. However, President Quezon in his last discussion with Mr. Kihara and Mr. Morokumo, had avoided setting a definite date for future discussions, and since Consul Nihro believed that it was probably better for Japan not to specify a date, mention of 1946 had been purposely avoided.<sup>793</sup>

Following Mr. Alunan's return on September 22, 1941 from his short business trip, Consul Nihro was able to report that President Quezon had confirmed the memorandum presented to Mr. Alunan on September 17, 1941.<sup>794</sup>

Foreign Minister Toyoda pointed out that the mutual agreement between the Japanese and Philippine representatives was nothing more than a verbal promise since no written recognition of the Japanese memorandum had been demanded of the Philippine officials. Not from a lack of faith in Secretary Alunan or President Quezon's word but in view of the important nature of the question, the Japanese Foreign Minister felt that some secret paper outlining the agreement or the secretary's signature on the copy of the memorandum should be obtained despite the delicate relations existing between the Philippine authorities and the High Commissioners. In case the Philippine authorities should violate this understanding and no written agreement had been obtained, Japan would find itself powerless to take any action.<sup>795</sup>

## 277. Consul Nihro Asks That Lumber and Iron Ore Ships Be Dispatched Immediately

Advising that ships be dispatched immediately, although separately, to the Philippines, the Japanese Consul declared on September 16, 1941 that lumber was not to be included in the recently enlarged list of items affected by the export license system. Since the length of time during which this exemption would be in effect was by no means certain, he pointed out the necessity of sending ships immediately, and of notifying the traders in the Philippines of the names of the ships and the date of their arrival as soon as possible.<sup>796</sup>

According to Consul Nihro on September 22, 1941 logs and lumber were on the list, published on September 20, 1941, of material not covered by the export control order. He further declared that no permits had been granted for hemp exports, although there had been no change in permits which had already been issued.<sup>797</sup>

Consul Nihro also asked that Japanese ships be dispatched immediately in order that the loading of iron ore could be continued. If ships were not sent soon to the Islands, there was danger of discouraging further Japanese efforts. Furthermore, it was necessary that funds resulting from previous exports to the Philippines be utilized since they would only increase the frozen funds.<sup>798</sup>

## 278. Japan Sends the *Hakone Maru* to Evacuate Nationals

The Foreign Minister advised the Japanese Consul at Manila on September 26, 1941 that the *Hakone Maru* would soon call at Manila and Davao. The Foreign Office was to be advised of the number of Japanese withdrawing from that district as well as other details of the evacuation.<sup>799</sup>

<sup>793</sup> III, 543.

<sup>794</sup> III, 544.

<sup>795</sup> III, 545.

<sup>796</sup> III, 546.

<sup>797</sup> III, 547.

<sup>798</sup> III, 548.

<sup>799</sup> III, 549.

**279. The Foreign Office Arranges the Sale of a Philippine Vessel**

Apparently to complete the sale of the *Fuyo No. 1*, the Foreign Office asked the Japanese Consul at Manila on September 29, 1941 for permission of the owners in the Philippines to dispose of the vessel at approximately ¥29,000. In case the sale were made, two-thirds of the sale price would go to the owners remaining in the Philippines while one-third would be paid to those who brought the ship to Japan. He also inquired if he should send 6,000 pesos of the latter sums to the owners in the Philippines immediately following the sale.<sup>800</sup>

**280. Japan Arrests Philippine Profiteers**

In answer to a dispatch, Foreign Minister Toyoda in Japan sent the names of individuals who had been punished for violation of the Exchange Control Act. Among those who had been charged with collecting dollars in Japan to sell for yen in Shanghai were Raphael Aquino, who was a nephew of the former Director Aquino in Manila, Juan Aquino, and Riserio Kasutoro.<sup>801</sup>

According to the Japanese Foreign Office, Raphael Aquino had requested on October 3, 1941 that his father, Ganzalo Aquino send him ¥3,000 with which to pay his fine. Since no remittance had been received, as of October 10, 1941, Consul Nihro was requested to talk with the elder Aquino to find out his character and to have the father advise his son to return home.<sup>802</sup>

**281. The Foreign Office Directs that Machine Code Be Used Only for Official Messages**

The day before the new code system was to go into effect, the Japanese Foreign Office informed Manila on October 13, 1941 that the system was to be used entirely for secret messages and not for personal ones.<sup>803</sup>

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<sup>800</sup> III, 550.

<sup>801</sup> III, 551.

<sup>802</sup> III, 552.

<sup>803</sup> III, 553.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(d) *Japanese-Mexican Relations***282. Japanese Agent Suggests Liquidating Petroleum Company**

In view of the strained commercial relations existing between Japan and Mexico, Mr. Okumura, a representative of the Japanese Pacific Petroleum Company in Mexico, advised his Tokyo office that since difficulty was being encountered in obtaining manufacturing permits, Japanese officials and machinery of the company should be evacuated. At the same time he submitted to the company president, Mr. Kubota, an estimate of the company funds on hand in Mexico as of August 6, 1941.<sup>804</sup>

**283. Japanese Commercial Representative Leaves Honduras**

After Minister Yoshiaki Miura had been consulted by officials in Tokyo in regard to the evacuation of Mr. Megurigami, a Japanese commercial agent in Honduras, he inquired on August 8, 1941 whether the Foreign Office had been consulted. Mr. Megurigami had asked permission to return home since the freezing regulations had badly affected Japanese-Honduras trade. Although his return had already been authorized by his home office, his superiors had asked for the opinion of Minister Miura.<sup>805</sup>

On August 14, 1941 Minister Miura was advised by the Foreign Office that the Japanese company, after consulting with the Foreign Office, had made arrangements for the official's return to Tokyo.<sup>806</sup>

**284. Minister Miura Encounters Difficulties in Financial Transactions**

Still experiencing difficulty in collecting exchange certificates, the Japanese Minister in Mexico inquired of the Foreign Office on August 8, 1941 concerning the best method of securing permits from the American authorities for commercial transactions. He advised that his funds on hand were diminishing, and asked that instructions be sent to him immediately.<sup>807</sup>

**285. Minister Miura Suggests Waiting Policy in Resisting Trade Restrictions**

The Japanese Minister reported to Foreign Minister Toyoda on August 11, 1941 concerning the restrictions placed on exports in Mexico. The Mexican government, he said, would hardly dare ease up on trade restrictions which had been dictated by the United States, especially since the enforcement of the Presidential order was being carefully watched at the present time.

Although previous secret efforts made by the various Japanese commercial firms to exchange Japanese rayon for Mexican mercury had ended in failure, Mexican companies were now beginning to work openly to obtain permission for this exchange. Consequently, newspaper articles relating to the subject were appearing almost daily in Mexican newspapers. Furthermore, the rayon textile dealers planned to send manufacturing representatives directly to the Mexican President, at the same time sending telegrams to senators.

Pointing out that the Japanese could instigate a propaganda campaign, Minister Miura, however, advised against this since the scheme might react upon Japan.

<sup>804</sup> III, 554.

<sup>805</sup> III, 555.

<sup>806</sup> III, 556.

<sup>807</sup> III, 557.

Since it was necessary that the situation be thoroughly understood before taking part in it, a policy of waiting was advised by Minister Miura. According to him, the present pertinent question appeared to be: When will the United States sacrifice civilian or even military necessities in order to supply Mexico's needs? Although the United States had, he said, formerly promised to give this matter consideration, no expression of its intentions had yet been seen. When at last it became apparent that the United States did not intend to supply Mexico with rayon, and the existing stock in Mexico had been completely exhausted, the Japanese Minister felt that the reaction in Mexico would ultimately favor trade with Japan.<sup>808</sup>

On August 11, 1941 the Japanese Minister further reported that he had learned a great deal concerning the existing situation in his talk with a Mexican official on August 2, 1941. Although the plans for "barter" of rayon and mercury had begun to show hopeful developments, America's announcement of its intentions had caused them to be abandoned. Since, in the opinion of the Mexican official, it would be absolutely impossible for America to furnish rayon to Mexico, it would be opportune, following the meeting of the assembly on September 1, 1941, to get in touch with influential senators for the purpose of bringing about a change.

To win the support of Mexican people, the Mexican official advised that the Japanese Minister secure export permits for the shipments which had been contracted for before the issuance of the Presidential order. Several days later Senor Enrique Osornia, a Mexican senator, made a similar suggestion. Although Japan formerly had decided to withhold all shipments of rayon to Mexico, the Japanese Minister replied that the 3,000 boxes on the *Heiyo Maru* would suffice in the way of a friendly "gesture" by Japan, although an increase in the stock of rayon in Mexico at this time might possibly have adverse results. Furthermore, unless this gesture aided in the solution of the whole problem it would be difficult to change the attitude of the Japanese government.<sup>809</sup>

#### 286. Minister Miura Postpones Rayon Prince Cutting Scheme

In answer to Foreign Minister Toyoda's suggestion that Japan counter American plans by furnishing Japanese rayon to Mexico at half price, Minister Miura advised on August 12, 1941 that the lowering of price could be used as a forceful tool in future trade treaties, but that Japan's wiser course would be to await a better opportunity.<sup>810</sup> He reiterated that no question of price or barter existed at the moment, but that Japan's problem was to overcome Mexican trade restrictions.<sup>811</sup>

Dr. Kiso Tsuru, a well known leader in Japanese oil, mining, construction, and other enterprises in Mexico, reporting on August 5, 1941 indicated the attitude of the Mexican President and Economic Minister as revealed by a person close to the President. This confirmed the advice of the Japanese Minister that any action by Japan at this time would be futile.<sup>812</sup>

#### 287. Minister Miura Opposes Mr. Tsuru's Silk Control Plan

As to the possibility of future trade between Mexico and Japan, Mr. Miura disapproved of a plan concerning artificial silk which had been evolved by Mr. Tsuru. In view of the fact that artificial silk was the only instrument which might guarantee to Japan the acquisition of Mexican materials, Minister Miura advised Tokyo on August 12, 1941 that he opposed any breakdown of the present control as suggested by Dr. Tsuru.<sup>813</sup>

<sup>808</sup> III, 558.

<sup>809</sup> III, 559.

<sup>810</sup> III, 560.

<sup>811</sup> III, 561.

<sup>812</sup> *Ibid.*

<sup>813</sup> III, 562.

**288. Tokyo Directs the Pacific Petroleum Company to Close Its Office**

In answer to a request from his home office in Tokyo, Mr. Okumura informed officials of the Pacific Petroleum Company on August 12, 1941 that it would be impossible to evacuate machinery and company personnel for some time to come since no Japanese ships were being assigned to that route.<sup>814</sup>

Mr. Okumura was advised via Foreign Office dispatches that the decision of the three Japanese officials in Mexico in regard to closing the Mexican Office had been confirmed. The company official was to carry out certain instructions in shipping company personnel and machinery out of Mexico, and was to comply with stated priorities.<sup>815</sup>

**289. Minister Miura Is Directed to Ship Machinery on the Azuma Maru**

On August 15, 1941 Minister Miura learned that the *Azuma Maru* would leave Yokohama on September 5, 1941 and arrive in Manzanillo on September 24, 1941. In order to comply with a request from the Chief of the Japanese Fuel Bureau, Minister Miura was to have ready for loading at Manzanillo a drilling machine, a tractor, a caterpillar, and powder for a gun perforator. Several parts to be used in a Diesel engine were to be purchased and loaded on the *Azuma Maru*,<sup>816</sup> as well as the machinery which was being sent to Japan by the Pacific Petroleum Company. The Japanese Foreign Minister added that, although other countries considered the *Azuma Maru* as an ordinary commercial vessel, the Japanese government considered the ship to be in official use.<sup>817</sup>

**290. Dr. Tsuru Plans to Aid the Pacific Petroleum Company**

Minister Miura advised Foreign Minister Toyoda on August 21, 1941 that his instructions regarding the evacuation of company officials and machinery had been received.<sup>818</sup>

When Dr. Tsuru was informed of the purport, he submitted a counter proposal by which the Pacific Company's main office would continue its actual prospecting on the principle of "Live and let live", with drilling being carried on as soon as drilling permits could be obtained. The Mexican firms would carry the expenses of operations and maintenance, and in the event of a crisis the Pacific Petroleum Company would retain the funds on hand.<sup>819</sup>

After this counter proposal had been made, however, the Foreign Minister's dispatch of August 21, 1941, concerning the schedule of the *Azuma Maru*, had been received, and the Mexican firms returned to their original plan. They agreed to carry the expenses of the company's maintenance and to protect Pacific Company funds from confiscation. Since the machinery was to be sent to Japan, the operations of the company would be limited, but for the time being, according to Mr. Tsuru's plan, the Pacific Company was to continue prospecting with the Mexican companies attempting to secure operating permits and to collect guarantee funds for the purchase of petroleum.<sup>820</sup>

On August 30, 1941 the Japanese Foreign Office informed Minister Miura that there was no room for reconsideration of any counter proposal made by Dr. Tsuru or the Mexican firms. As far as the Foreign Office was concerned, the Pacific Petroleum Company had temporarily stopped operations.<sup>821</sup>

<sup>814</sup> III, 563.

<sup>815</sup> III, 564-566.

<sup>816</sup> III, 566.

<sup>817</sup> III, 567.

<sup>818</sup> III, 568.

<sup>819</sup> III, 569.

<sup>820</sup> III, 570-571.

<sup>821</sup> III, 572.

## **291. Minister Miura Advises Against Sending the Azuma Maru to Manzanillo**

On August 22, 1941 the Japanese Minister in Mexico advised that the *Azuma Maru* was scheduled to stop at Manzanillo on September 13, 1941. Since the ship had left this port on July 17, 1941 after the imposition of the Mexican embargo, he advised against its returning to Mexico. An unfortunate situation would be created if a dispute should arise because of the Mexican government's forbidding, on some pretext, the unloading or sailing of the ship.<sup>822</sup>

## **292. The Pacific Petroleum Company Summarizes Its Assets**

On September 1, 1941 officials of the Pacific Petroleum Company sent to Tokyo through diplomatic channels a statement of their funds in Mexico. The greater portion of their capital, over a million pesos,<sup>823</sup> had been deposited with the Mexican Legation, 1,000 piastras had been deposited in the bank, and a considerable sum was being held by the Japanese consulate. Total assets in August, 1941 amounted to 1,201,639.76 pesos and \$5,072 American dollars.<sup>824</sup>

## **293. Japanese Legation Uses Secret Funds**

Prospective difficulties in making payment to the Legation staff and other Japanese officials in Mexico caused Minister Miura to ask in July, 1941 that the Foreign Office work out some method of remitting funds. (See Volume II, #423). Foreign Minister Toyoda replied on September 2, 1941 that although there would be a delay in the remittance of salaries, the Foreign Office was studying methods of making remittances in spite of the freezing order of the United States. Until such payment became possible, the Japanese Minister was instructed to make use of the secret fund or other funds kept at the Legation.<sup>825</sup>

## **294. Minister Miura Rejects Foreign Office's Secret Barter Scheme**

On September 3, 1941 eleven days after Minister Miura had advised the Japanese government to order the *Azuma Maru* not to touch port at Manzanillo,<sup>826</sup> he expressed his indignation to the Foreign Office concerning the Japanese Navy's scheme of disguising the exchanging of artificial silk for Mexican mercury as a commercial deal undertaken by civilian business firms without the cognizance of either government. In view of Japan's strict control of rayon exports, the adoption of such a plan was merely, he said, to harbor a hallucination born of ignorance. If such a scheme were worth taking a chance on the danger involved, it should be done in such a way that the Japanese government could say that it knew nothing of it, thereby avoiding any responsibility. The Japanese navy had stated, however, that any results arising from future dealings would have to be handled by Foreign Office officials. One mistake in such a plan might well give rise to international complications which would seriously affect the prestige of the Empire, Minister Miura declared, and for this reason the Foreign Office should not carry out cooperation with the military authorities to such an extent that it would accept the unwise plan.<sup>827</sup>

## **295. Minister Miura Threatens to Resign**

Continuing his remarks on the Japanese Navy's scheme to acquire mercury, the Japanese Minister protested against having to take action upon a situation which had been explained only to his Naval Attaché. Furthermore, Minister Miura could not understand why no previous inquiry had been made concerning actual conditions in Mexico, or why no information had been given to him as the Minister responsible for the actions of his government in Mexico.

<sup>822</sup> III, 573.

<sup>823</sup> A peso was worth 20.5 cents in American money at this time.

<sup>824</sup> III, 574.

<sup>825</sup> III, 575.

<sup>826</sup> III, 573.

<sup>827</sup> III, 576.

Requesting an explanation from the Foreign Minister in this regard, he declared that if, in the face of his sincere counsel, the original plans were insisted upon and carried out, he would resign and request that he be ordered home immediately.<sup>828</sup>

#### 296. Minister Miura Withdraws Request for Additional Staff Members

Despite his previous request for the establishment of a Japanese consulate at Manzanillo, the Japanese Minister now explained to Tokyo on September 5, 1941 that it was unwise to send additional officials at this time when Mexico was keeping Japanese affairs under close observation. Since making necessary arrangements for the arrival of the Japanese officials might arouse the suspicion of the Mexican government, which was carefully scrutinizing all Japanese movements, he advised that any action on this matter be postponed pending a more favorable opportunity.<sup>829</sup>

#### 297. Japan Lifts Ban on Silk Exports to Mexico

On September 6, 1941 Japan informed the Japanese Minister in Mexico that the ban on exports of artificial silk was being lifted, and that Mexico would be guaranteed a minimum supply of 10,000 boxes of artificial silk for the next six months. In exchange Mexico was allowing accommodations for Japanese ships at the ports of Manzanillo, Acapulco, and Salina Cruz; and providing the ships with 30,000 tons of fuel oil during the next six months. Continuation of this agreement would be discussed at the end of six months.<sup>830</sup>

In explaining this decision Foreign Minister Toyoda informed Minister Miura that General Jose Luis Amezcua, the Mexican Minister in Tokyo, had called on the Chief of the Japanese Trade Bureau to propose that Japan ship rayon in Japanese ships as far as Manzanillo, with Mexico supplying, by way of exchange, fuel oil for the ships. Since Japan was controlling trade to counter Mexico's anti-Japanese position, the export of Japanese rayon silk to Mexico was forbidden. However, in spite of this fact, Japan desired to discuss the Mexican Minister's plan, since it needed oil for its ships assigned to Central and South America, and since such negotiations would contribute toward the lessening of Mexico's pressure against Japan. After Japan made its proposal the Mexican Minister sought instructions from home. He declared that because of Mexico's relations with the United States it would be best to agree on this matter before any transfers of materials were made.<sup>831</sup>

Minister Miura then advised Tokyo that it was in the interests of Japan that any rayon shipments from Japan should be made after the signing of the pending agreement.<sup>832</sup>

#### 298. Japan Objects to Mexican Parcel Post Restrictions

An unforeseen development in Japanese-Mexican relations occurred when the Japanese Foreign Minister learned on September 9, 1941 that diplomatic parcel post would be opened in the presence of customs officials whenever the Mexican government deemed it necessary. Mexico had explained, however, that such action was not intended to be a means of applying pressure on Axis nations.<sup>833</sup>

The Japanese Foreign Office replied on September 13, 1941 that such action was considered objectionable from the standpoint of its international relations.<sup>834</sup>

<sup>828</sup> *Ibid.*

<sup>829</sup> III, 577.

<sup>830</sup> III, 578.

<sup>831</sup> III, 579.

<sup>832</sup> III, 580.

<sup>833</sup> III, 581.

<sup>834</sup> III, 582.

## **299. The Japanese Foreign Office Instructs Minister Miura to Aid German Nationals**

Without previous reference to the subject on September 10, 1941 Foreign Minister Toyoda gave Minister Miura the names of five German citizens with the explanation that there were no objections to granting them visas to enter Japan. The Germans, the Foreign Minister said, wished to leave Manzanillo September 16, 1941 on the *Heiyo Maru*.<sup>835</sup>

Minister Miura notified Tokyo on September 13, 1941 that on the previous day he has been asked to cooperate with Mexico in securing passage to Japan for five Germans whom Mexico wished to deport but whose names it would not divulge.

Since it would be necessary to ensure against propaganda being made of the fact that Japan had assisted in the banishment of these persons, the Japanese Minister had replied that he must first ask instructions from his government, and that it would be necessary to be advised of the names of the persons to be deported as well as the reasons therefor. Although Mexican officials had agreed to give Japan this information in strict confidence, on the morning of September 13, 1941 there had been no further word from the Mexican Foreign Office.

Since the *Heiyo Maru* was scheduled to sail from Manzanillo on September 16, 1941 Minister Miura asked the Foreign Office for immediate instructions. Minister Miura had secretly conferred with members of the German Legation in Mexico, and had been informed that they were at a loss to know the meaning of this action unless it referred to the five persons mentioned previously by Tokyo.<sup>836</sup>

## **300. Japanese Officials Prepare for Arrival from Tokyo**

On September 10, 1941 Tokyo requested the Japanese Legation to assist Couriers Harada Masayuki and Morino Maysayoshi, who would enter Mexico toward the end of September at Manzanillo on the *Terukawa Maru*. All assistance was to be given them in their passage through Mexico to Washington.<sup>837</sup>

From the Japanese Embassy in Washington on September 15, 1941 came the request that the schedule of Couriers Harada and Morino be forwarded as soon as they had arrived in Mexico.<sup>838</sup> Japanese officials in Mexico were also asked to assist in making reservations for Minister Wakasugi, who sailing from Yokohama, would arrive on the *Terukawa Maru* at Manzanillo about October 4, 1941 and would proceed to Washington by plane.<sup>839</sup>

## **301. Azuma Maru Leaves Japan on September 14, 1941**

In accordance with Minister Miura's request that he be informed of developments in regard to the "barter" of rayon for bunker oil, the Japanese Foreign Office indicated on September 13, 1941 that the *Azuma Maru* would leave Japan on September 14, 1941. Since the rayon had already been loaded, and it would have been difficult to unload it again, it had been shipped with its disposal at Manzanillo left to the judgment of Minister Miura. However, if the barter arrangements had not been effected by the time the *Azuma Maru* reached the Mexican port, the Japanese Minister was given permission to send the vessel back to Japan.<sup>840</sup>

## **302. Special Japanese Naval Liaison Officer is Selected**

The name of Mr. Shoichi Kihara, a Japanese Legation staff member, was sent to Tokyo for approval on September 18, 1941. The official had been selected to act as a special liaison man for the Japanese navy, and in that capacity would make an official trip to Colombia.<sup>841</sup>

<sup>835</sup> III, 583.

<sup>836</sup> III, 584.

<sup>837</sup> III, 585.

<sup>838</sup> III, 586.

<sup>839</sup> III, 587.

<sup>840</sup> III, 588.

<sup>841</sup> III, 589.

### 303. Mexico Receives No Japanese News

In answer to a circular requesting information as to the reception and dissemination of Domei news reports, Minister Miura replied on September 18, 1941 that no government organization, news agency or newspaper in Mexico was receiving Japanese dispatches. He also reported that the transmission of Domei news items by way of San Francisco had been discontinued since early in September.<sup>842</sup>

### 304. Minister Miura Foresees Difficulty in Shipping Machinery to Japan

Reporting that since the Presidential order had been issued in Mexico "nerves had become sharpened" regarding export smuggling, the Japanese Minister on September 18, 1941 advised that the transportation of the machinery of the Pacific Petroleum Company to Japan would arouse suspicion and perturb the employees. A shipment of all the machinery at one time would be conspicuous and difficult since the machinery was scattered widely.

Although applications for export permits were being made, it was evident that it would be difficult to obtain them. However, since the machinery would pass customs without inspection as Legation property, there seemed to be no other solution than to have holders of diplomatic passports take a part of the bulky machinery with them as personal luggage whenever they left Mexico.<sup>843</sup>

After investigating the possibilities of obtaining some special machinery which Tokyo had requested, Mr. Miura reported that there would be many difficulties in buying and transporting the equipment, especially, if it became known that it was to be sent to Japan. This stemmed from the reluctance of Mexican businessmen to offend the United States. Furthermore, the Pacific Petroleum Company insisted that it would pay only after the machinery had been put aboard, and refused to take responsibility for putting it on board.<sup>844</sup>

### 305. Japanese Companies Attempt Barter Despite Mexican Restrictions

Tokyo learned on September 18, 1941 that the Mitsui Company in Mexico, before July 15, 1941, had been attempting to contract for 580 bottles of mercury in anticipation of the possible executive embargo. As a result of working through certain Mexican officials and a fee of 15,000 pesos for Mr. Maximin Camacho, on September 7, 1941 the Mexican Foreign Minister had approved the export of mercury. Another Japanese agent, Mr. Fugio Kata, believed that he would obtain the consent of General Maximin Camacho, a brother of the Mexican President, to barter 20,000 boxes of artificial silk for 10,000 bottles of mercury. Since Foreign Minister Padilla had given no indication that he would approve this transaction and General Camacho could be reached only through intermediaries, the Japanese officials in Mexico suggested that they be permitted to move slowly, especially in view of Mexican reluctance to offend the United States.<sup>845</sup>

The Mitsui representative had been instructed to work with the Legation in securing mercury, but since he was acting without consulting Legation officials, Minister Miura asked that the Mitsui Office be ordered to instruct its representative that such negotiations were a matter of national policy and were not to be handled by Mitsui as a company or as individuals. He asked that Japanese naval officials also be advised to this effect.<sup>846</sup>

### 306. Japan Transports American Money for the German Legation

On September 18, 1941 the *Heiyo Maru* left Manzanillo with three trunks filled with Japanese diplomatic documents. One contained \$100,000 in American currency belonging to the

<sup>842</sup> III, 590.

<sup>843</sup> III, 591.

<sup>844</sup> III, 592.

<sup>845</sup> III, 593, 594.

<sup>846</sup> III, 595.

German Legation. Minister Miura advised Tokyo on September 20, 1941 that the trunks had been securely sealed and entrusted to the Captain of the ship.<sup>847</sup>

### 307. Minister Miura Requests Increased Expense Allowances

In an attempt to persuade the Japanese Foreign Office to increase the expense allowances of its Legation staff in Mexico, the Japanese Minister pointed out on September 23, 1941 that the standard of living in Mexico had risen sharply. Contributing factors to an advance in Mexican prices were a previous rise in the United States and the scarcity of materials caused by the American armament program. According to the Japanese Minister, Mexico had become more dependent on American economy since the Mexican-American treaty of July. The advance in prices, amounting to 40 or 50 per cent, had made it difficult for the Legation staff to keep up appearances and maintain its prestige. It was necessary, therefore, that the staff's allowance be increased until it reached the level of other Japanese diplomatic establishments.<sup>848</sup>

### 308. Japanese Foreign Minister Attempts to Expedite Barter Negotiations

Since the *Azuma Maru* in Tokyo was about to sail, Foreign Minister Toyoda asked on September 24, 1941 that the Japanese Minister in Mexico request the Mexican Foreign Office to instruct the Mexican Minister in Tokyo as to its wishes in this respect. Minister Miura also was asked for any suggestions he might have.<sup>849</sup>

In accordance with this request, Minister Miura paid a visit to the Under Secretary of the Mexican Foreign Office on September 21, 1941 to inform him that the Mexican Minister in Tokyo had made representations to the Japanese government regarding the bartering of fuel oil for silk. Japan had approved the plan, and in return had submitted a concrete proposal, which had not yet been answered. The Mexican Minister replied that no decision concerning general principles could be reached until a technical study of the amount, price, and method of payment had been completed.<sup>850</sup>

Minister Miura then stated that a misunderstanding must exist, since Japan had already accepted Mexico's proposal. Furthermore, a boat, already loaded with silk, would arrive at Manzanillo during the first part of October, and Japan desired a settlement of the commercial agreement before the ship reached port. The Under Secretary agreed to accelerate the study of problems concerned, but said that the Foreign Office did not have time to arrange the matter on such short notice.<sup>851</sup>

### 309. Tokyo Accepts Mexican Inspection of Parcel Post

Although Minister Miura had been informed that the policy of opening diplomatic parcel post in the presence of Mexican customs officials would be objectionable to the Japanese government, the Japanese Minister had by September 25, 1941 made no representations concerning his government's reaction. He explained that other diplomatic establishments had considered it as a simple routine matter and reported it to their governments.

Since neither the German nor Italian staffs in Mexico had protested, Minister Miura felt that it would be unwise for Japan alone to protest, especially since the measure applied only to packages addressed to diplomats as individuals and not to those sent to their offices. Other nations had taken this same emergency step. For this reason Minister Miura had replied to the Mexican government only that he had reported the measure to his Foreign Office.<sup>852</sup> Two days later, Tokyo notified him that it had no objections to his action.<sup>853</sup>

<sup>847</sup> III, 596.

<sup>848</sup> III, 597.

<sup>849</sup> III, 598.

<sup>850</sup> III, 599.

<sup>851</sup> *Ibid.*

<sup>852</sup> III, 600.

<sup>853</sup> III, 601.

### 310. Japan Considers Evacuating Its Nationals in Mexico

In reply to a request from Tokyo it was announced on September 27, 1941 that no Japanese were awaiting evacuation in Mexico. However, seven persons connected with the Pacific Petroleum Company would have to return to Japan in the near future. If the situation grew worse, the staff, its employees and families, totaling fifty-three, as well as employees of the commercial companies of Assenjo, Mitsui, Mitsubishi and 20 other persons would have to be evacuated.<sup>854</sup>

### 311. Mitsui Company Considers Kato Barter Scheme

Since the Kato firm had devised a scheme to trade 10,000 flasks of mercury for 20,000 cases of rayon thread, with 10 per cent of the rayon price to be paid to high ranking Mexican government officials, the Mitsui Company, on September 29, 1941, asked its representative to promote competition among other Japanese firms since the price appeared to be exorbitant. Furthermore, it appeared to be impossible to secure 10,000 flasks of mercury in Mexico. Since Japanese officials had urged that the firms cooperate in this venture which was to be handled in the name of one firm, the Kato and Mitsui firms would soon confer. The Mitsui agent was advised to spare no effort in improving the situation.<sup>855</sup>

### 312. Foreign Minister Toyoda Requests Further Information on Kato Proposal

On the same day, September 29, 1941, the Japanese Foreign Minister asked Minister Miura's opinion regarding the Mitsui-Kato proposal. Though Japan desired to complete a trade agreement before the *Azuma Maru*'s arrival at Manzanillo, the Mexican government's telegram to its Minister in Tokyo, received on September 27, 1941, had given no hope for a speedy settlement.<sup>856</sup>

### 313. Japanese Military Officials Plan in Mexico to Leave for Japan

On September 29, 1941 the Military Service Bureau, Air Service Headquarters and the Army Technical Headquarters in Japan were informed by the Japanese Military Attaché in Washington that Lt. Colonel Nakano and Major Omori would leave Manzanillo, Mexico on October 7, 1941 aboard the *Azuma Maru*. By following a direct route from the southwest coast of the United States, the *Azuma Maru* would probably arrive in Japan about November 21, 1941. Another Japanese Army officer, Colonel Oka, was in San Francisco awaiting to depart aboard a Japanese tanker.<sup>857</sup>

### 314. General Camacho is Appointed to Cabinet

The appointment on September 29, 1941 of General Maximino Avila Camacho, brother of the Mexican President, to the post of Minister of Communications was reported to Tokyo on September 30, 1941. This action could be considered as a step toward solidifying the government, Minister Miura said. The appointment was probably of great importance in view of the appearance of an anti-Cabinet feeling on the part of labor.<sup>858</sup>

### 315. Minister Miura Suggests Selling Japanese Silk in Mexico

Replying on September 30, 1941 to the Foreign Minister's dispatch informing him that the *Azuma Maru* would sail for Mexico and the disposal of its shipment of silk would be left to his

<sup>854</sup> III, 602-603.

<sup>855</sup> III, 604.

<sup>856</sup> III, 605.

<sup>857</sup> III, 606. This message was not translated until March 10, 1945.

<sup>858</sup> III, 607.

judgment, Minister Miura declared that no explanation had ever been given him as to the reason for shipping the silk. Since the negotiations being conducted by the Kato and Mitsui firms had aroused Mexico's hope of procuring rayon, and since Mexico knew that Japan realized how desperate was its need, the sending of the unloaded ship back to Japan would have a disastrous effect upon Japanese-Mexican relations.<sup>859</sup> The Japanese Minister suggested, therefore, that the rayon be distributed in equitable amounts to various Mexican concerns in order to improve relations between the two countries. He asked the Japanese Foreign Office to instruct the Captain of the *Azuma Maru* to unload at Manzanillo.<sup>860</sup>

Since Minister Miura felt that this was a blunder which had occurred as the result of some scheme of the Japanese Navy he stated that if the Foreign Office, knowing the trade situation with Mexico, had issued orders at the instigation of the Japanese Navy, it had acted unwisely. If the orders had been issued in ignorance, he felt that those entrusted with Mexican trade matters had better examine themselves.<sup>861</sup>

Advising Tokyo that the Mexican Minister would soon call at the Japanese Foreign Office,<sup>862</sup> Minister Miura said that he had called on the Mexican Vice Foreign Minister on October 1, 1941. He had been informed that there was little prospect of any agreement being reached concerning the proposed barter of silk for oil. However, since the rayon had already been shipped, Mexico proposed to purchase it for cash. Minister Miura replied that though the rayon should be shipped back, and he had had nothing to do with the shipment nor the barter discussions, he would dislike seeing the rayon returned.<sup>863</sup> Consequently, despite the profits which could be made from selling at the current market price, he suggested that the rayon be sold at the price stipulated in the contract made before the Presidential embargo was imposed.<sup>864</sup>

### 316. The Pacific Petroleum Company Ceases Operations

On October 2, 1941 Tokyo was informed by the Japanese Minister that the Pacific Petroleum Company in Mexico had ceased operations as of September 30, 1941.<sup>865</sup>

### 317. Minister Miura Reports on American-Mexican Negotiations (October 2, 1941)

The Japanese Minister reported on October 2, 1941 that Foreign Minister Ezequiel Padilla had revealed in a newspaper interview that Mexico was negotiating with the United States' State Department through Mexico's Ambassador to Washington, and that the Minister of Finance, Mr. Eduardo Suarez, had departed for Washington to discuss pending problems between America and Mexico. The Mexican Foreign Minister had declared that he would inform his people in the near future of the united friendship that existed between the two countries of America and Mexico. According to an American dispatch, the United States had approved a loan of eight to thirty million American dollars to stabilize Mexican money.<sup>866</sup>

### 318. Japan Releases Silk Shipment for Sale

Forewarned by Minister Miura of the nature of the Mexican Minister's instructions in regard to Mexico's rejection of the barter proposal, the Japanese Foreign Office replied to the Mexican Minister on October 2, 1941 that it would delay in answering formally until the opinion of several officials had been received.<sup>867</sup>

<sup>859</sup> III, 608.

<sup>860</sup> *Ibid.*

<sup>861</sup> *Ibid.*

<sup>862</sup> III, 609.

<sup>863</sup> III, 609-610.

<sup>864</sup> III, 610.

<sup>865</sup> III, 611.

<sup>866</sup> III, 612.

<sup>867</sup> III, 613.

On October 3, 1941 the Mexican Minister, Mr. Amezcuia, had been informed by Foreign Minister Toyoda that in view of Japanese-Mexican relations, the shipment of silk would be released for sale in Mexico. He was asked to notify the Mexican Foreign Office, since it was necessary that fuel oil be made available to the *Azuma Maru*. Minister Miura was instructed to press the oil matter because negotiations with Argentina and Peru might be delayed.<sup>868</sup>

### 319. Japanese Agents Propose to Smuggle Oil for Germany

By October 4, 1941 Japanese Military Attaché Commander Kyoho Hamanakia had arranged, at the request of the German Naval Attaché in Tokyo, to load petroleum products as bunker oil on Japanese ships which touched Manzanillo. After arriving in Japan, the unused portion of petroleum would be turned over to the German Naval Attaché in Tokyo for disposal. Officials of Japanese companies were exerting efforts to obtain fuel oil so that the secret plan would not fail.<sup>869</sup>

### 320. Mexico Discovers Smuggled Mercury at Manzanillo

On October 6, 1941 Minister Miura reported to Tokyo that Mexican custom officials at Manzanillo had discovered smuggled exports of mercury and other materials which were to be shipped on the *Azuma Maru*. Minister Miura had learned of this when a special Associated Press correspondent had telephoned the Minister for his opinion in the matter.<sup>870</sup>

Articles in Mexican newspapers, the *Excelsior*, the *Universal* and *Nobedades*, were transmitted to Tokyo on the same day. The *Excelsior* declared that the discovery of a large amount of mercury and lead which was to be smuggled out in the *Azuma Maru* made it apparent that customs officials had been deceived and international agreements had been violated. According to officials making an investigation at Manzanillo, the mercury contained in bottles weighing 76 pounds each had been camouflaged in all sorts of commercial shipments. The *Nobedades* reported that certain elements were continuously working to establish Manzanillo as a supply base for the Axis countries.<sup>871</sup>

### 321. Japanese Navy Attaché Leads Attempts to Acquire Fuel Oil

Tokyo had learned that difficulty was being encountered in getting fuel oil for the *Terukawa Maru*. On October 8, 1941 a company representative in Mexico was directed to keep in close touch with the Japanese Naval Attaché in such matters.<sup>872</sup>

### 322. Pacific Petroleum Company Ships Machinery on Azuma Maru

The precision machinery of the Pacific Petroleum Company had been transported to Japan on the *Terukawa Maru*, which left Acapulco on October 6, 1941. The head of the company, Mr. Kubota, was asked to arrange with the Foreign Office and Naval Ministry to unload the shipment after its arrival in Yokohama, and to have the machinery insured for a value of \$17,300.<sup>873</sup>

### 323. Mexican Foreign Office Denies Japanese Request for Oil

Keeping Tokyo informed of subsequent developments in regard to the *Azuma Maru* and having called on the Foreign Office Under Secretary on October 7, 1941, Minister Miura re-

<sup>868</sup> *Ibid.*

<sup>869</sup> III, 614.

<sup>870</sup> III, 615.

<sup>871</sup> III, 616.

<sup>872</sup> III, 617.

<sup>873</sup> III, 618.

ported that the Under Secretary had reiterated his thanks for Japan's decision to sell the shipment of artificial silk in view of the general trend of Japanese-Mexican relations. Although the Under Secretary was in favor of supplying fuel oil to ships sailing from Manzanillo to Yokohama, he refused fuel for either one-way or round trips to Valparaiso on the grounds that such an understanding was precluded by certain agreements. Voicing his opinion with reluctance when questioned by Minister Miura as to how the Mexican government could supply fuel oil, he answered that the Mexican Petroleum Bureau should be questioned in that respect.<sup>874</sup>

### 324. Minister Miura Blames Minister Amezcuia for Barter Failure

Investigating the reason for the failure of the barter negotiations, Minister Miura discovered through the Under Secretary of the Mexican Foreign Office that the Mexican Minister to Tokyo, Mr. Amezcuia, had given his home government no reports concerning the attitude of Japan.

Since it was his opinion that a grave mistake had been made by Minister Amezcuia in regard to details of the barter, Minister Miura advised that the Japanese Foreign Office use the utmost discretion in future dealings with him.<sup>875</sup>

### 325. Minister Miura Suggests Using Illegal Methods

On October 8, 1941 Minister Miura suggested that Japan should not follow open diplomatic means in obtaining Mexican petroleum, but should effect a settlement of this practical problem by other methods. He had received the impression that even though the United States had or had not instituted a practical embargo of petroleum products to Japan, Mexico would not dare to contract or pledge supplies to Japan.

Pointing out that there had been no lack of oil for Japanese ships when the purchases had been made by the ships themselves, Minister Miura said that he and the Japanese Naval Attaché agreed that it would be well not to be too fastidious about the matter of procuring petroleum, and it should be left in the hands of Japanese representatives.<sup>876</sup>

### 326. Two Japanese Army Officers Sail Aboard the *Azuma Maru*

On October 9, 1941 the Japanese Ministry in Mexico City notified the Embassy in Washington that Lt. Colonel Nakano and Major Omori had sailed aboard the *Azuma Maru* as scheduled. On the same day, October 7, 1941, Messrs. Waki, Uchida, Yoshioka, Kaneko and Morimura had arrived in Mexico City to await further orders.<sup>877</sup>

### 327. Mexican Newspapers Suggest Recall of Japanese Representatives

Reporting again on October 14, 1941 concerning the unfortunate discovery of mercury and lead smuggled aboard the *Azuma Maru*, the Japanese Minister summarized recent editorials which had appeared in various Mexican newspapers. Each paper had published vindictive articles saying that the true character of the Military and Naval Attachés of a certain Eastern country had finally become apparent. On October 12, and 14, 1941 the *Excelsior* had suggested that the Foreign Office should request the withdrawal of foreign diplomats if they were responsible for this incident.<sup>878</sup>

<sup>874</sup> III, 619.

<sup>875</sup> III, 620.

<sup>876</sup> III, 621.

<sup>877</sup> III, 622-623.

<sup>878</sup> III, 624.

**328. American Embassy is Responsible for Expose**

Minister Miura also reported on October 14, 1941 that according to a Japanese Naval investigation the recent expose had resulted from guidance offered by the American Embassy, which appeared to be well informed in this matter.<sup>879</sup> In a press conference on October 13, 1941 Foreign Minister Padilla had stated that either the Military or Naval Attachés of a certain Far Eastern country, or the Commercial Secretary, had participated in the affair. Although the rank of the persons concerned was regrettable, the case would now come under the jurisdiction of the Foreign Office and the guilty parties would be punished severely since the Mexican government would take a firm stand in this matter.<sup>880</sup>

**329. Japanese Military Attache Requests Expansion of Intelligence Facilities in the United States**

Since it seemed evident to Japanese representatives in Mexico that war between Japan and the United States would break out at any time, they advised the establishment of additional facilities to acquire military intelligence in the United States. In the future it would probably be extremely difficult for Japanese agents, either in the United States or in South America, to carry on espionage as formerly planned. In view of the fact that after and even before the outbreak of war Japanese agents would be unable to get intelligence concerning the details of military operations, the Japanese Military Attache in Mexico advised that additional advisors, particularly with air and technical backgrounds, be sent immediately to the attache's office in the United States to increase facilities for gathering intelligence.<sup>881</sup>

**330. Japanese Vice Foreign Minister Criticizes Minister Miura for Requesting Information Concerning Japanese Negotiations**

A dispatch evidently created a misunderstanding in the Japanese Foreign Office, for on October 16, 1941 Minister Miura defended himself by saying that the message in question emanated purely from his interest in his country's welfare, and if the message were not read from that point of view it would not make sense. He resented being considered forward though admitting that he might have been reckless in his choice of words.<sup>882</sup>

Minister Miura pointed out that the Imperial Portraits had already been sent home in preparation for war, and requested that officials in the field be given permission to make their final preparations.

According to a circular which had been sent to Foreign Office representatives, Foreign Minister Toyoda had declared that: (1) the Foreign Office was carrying on negotiations with the United States, and (2) that these negotiations had been approached on the theory that they could be reconciled with the Tripartite Alliance. Urging that Japanese diplomats be advised of the facts by some government code, since not to do so would be to deceive them, their staffs, and resident nationals, Minister Miura said that everyone knew the negotiations had failed.<sup>883</sup>

**331. Minister Miura Protests the Transfer of Translator Fukushima**

To a suggestion of the Japanese Foreign Office that Mr. Mokichi Fukushima, official interpreter of the Japanese Legation in Mexico be transferred, Minister Miura voiced his opposition. Considering Mr. Fukushima's wide acquaintance with persons of high rank in Mexico, and his invaluable services as an interpreter in important conversations, Minister Miura considered him indispensable in making contacts and in the smooth and prompt handling of business. With Japanese-American relations now reaching a very tense stage, business in the

<sup>879</sup> *Ibid.*

<sup>880</sup> III, 625.

<sup>881</sup> III, 626. This message was not translated until May 3, 1945.

<sup>882</sup> III, 627-628.

<sup>883</sup> III, 629.

Japanese Legation would become more and more complicated and delicate. For these reasons, Minister Miura asked that Mr. Fukushima's transfer be postponed for the time being at least.<sup>884</sup>

884 III, 630.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(e) *Japanese-South American Relations***332. Naval Attaché Atsho Shigehiro Arrives in South America**

During the period from August 6 to October 17, 1941 Japan became increasingly interested in South American countries, not only to keep informed of the trends of public opinion there, but also to derive intelligence regarding the United States. In pursuit of this information, Japanese representatives regularly visited their colleagues in South American capitals.

Naval Attaché Atsho Shigehiro, accredited to the ABC powers left Miami, Florida on August 9, 1941 for Cali, Colombia via Balboa; when he would arrive in Santiago, Chile on August 11, 1941.<sup>885</sup>

**333. Freezing Legislation Adversely Affects Japan**

Japanese officials were much concerned over the freezing legislation put into effect by certain South American countries. Since several marus were ready to depart from Japan to pick up various products from South American trading posts, Tokyo urged on August 12, 1941 that Japanese representatives in South America confer with authorities of the Yokohama Specie Bank in order to obtain products critically needed in Japan.

The *Noto Maru* which would not sail until the completion of these conferences between the Japanese Ministers and bank and company representatives was scheduled to transport silk, cotton and woolen goods, porcelain wear and staple fibre totaling approximately 15,460,000 yen, to the South American ports.<sup>886</sup>

**334. Japanese Representatives Visit South America**

On August 18, 1941 Ambassador Nomura advised Japanese representatives in Panama, Colombia, Peru, Brazil and Argentina that Secretary Hiroichi Takagi, a diplomatic courier, would arrive in their countries by Sanagra plane between August 23 and 26, 1941.<sup>887</sup>

Two Japanese Army officers, Lt. Colonel Suzuki and Lt. Colonel Ito were to sail aboard the *Argentina* on August 20, 1941 and were expected to arrive in Tokyo by September 10, 1941. The Japanese Military Attaché in Washington stated that a certain item would probably not be dispatched in Lt. Colonel Suzuki's care, since it had been loaned out to the San Francisco Military Affairs Society. Lt. Colonel Suzuki would, however, have information concerning the reservations aboard a certain ship.<sup>888</sup>

**335. Minister Yamagata Reports Maru Schedules**

On August 20, 1941 Minister Kiyoshi Yamagata at Santiago, in a message to Rio de Janeiro, reported that the *Sakido Maru* was leaving the port of Coquimbo on August 25, 1941, the *Asuka Maru* would depart from Valparaiso about August 30, 1941 and the *Norfolk Maru* was to leave Valparaiso on September 15, 1941. All of these were freighters with limited accommodations for passengers.<sup>889</sup>

<sup>885</sup> III, 631-632.

<sup>886</sup> III, 633.

<sup>887</sup> III, 634.

<sup>888</sup> III, 635.

<sup>889</sup> III, 636.

### **336. Mr. Shinohara Makes Conflicting Travel Plans**

Mr. Hidenari Terasaki, Second Secretary of the Japanese Embassy in Washington and secretly in charge of Japanese espionage in the United States, accompanied by Diet Member Rikour Shinohara was scheduled to arrive in Buenos Aires on August 9, 1941 via the Pan American Airways. From Buenos Aires the two officials would depart from Santiago on August 17, 1941 arriving in Lima on August 18, 1941.<sup>890</sup>

Mr. Shinohara, who had previously visited the United States, was planning a trip to Germany. Arriving at Santiago on August 18, 1941 he enlisted the aid of the Japanese diplomats in that city to secure his passage to Germany via Lisbon. If it were possible to go to Germany, he desired to obtain permission from the State Department to reenter the United States.

In the meantime, the Japanese staff at Santiago was trying to persuade Mr. Shinohara to return to Japan on the *Heiyo Maru*, sailing on August 23, 1941, rather than to complete his proposed trip to Germany. Both plans awaited the State Department's decision.<sup>891</sup>

Replying on August 20, 1941 that it was almost impossible to obtain seats on the Lisbon plane, Ambassador Nomura recommended that Mr. Shinohara be advised to return to Japan on the *Heiyo Maru*. In spite of the fact that his application for entry to the United States had been referred immediately to the State Department, no response had been forthcoming as yet.<sup>892</sup>

It would appear that Mr. Shinohara was having difficulty in making up his mind for a dispatch from Panama to Washington on August 30, 1941 intimated that Mr. Shinohara had decided to return to Japan aboard the *Heiyo Maru*, leaving Manzanillo on September 20, 1941, and desired to visit Washington beforehand. Since his application to the American Embassy in Peru for entry into the United States had not been approved as yet, Minister Masatoshi Akiyama asked that the permit be sent to Panama.<sup>893</sup> However, on this same day, another dispatch from Minister Akiyama in Panama to Ambassador Ishii in Rio de Janeiro requested that space be obtained for Mr. Shinohara aboard the Italian plane leaving Brazil for Rome on September 15, 1941.<sup>894</sup> On September 10, 1941 Ambassador Ishii replied that both on September 15 and 16, 1941 seats were available aboard a Lati plane leaving Recife, and requested that Mr. Shinohara indicate his choice.<sup>895</sup>

### **337. Secretary Terasaki Establishes Intelligence Net in South America**

As a result of the conference of Mr. Terasaki with the Japanese Ministers of Argentina, Brazil, and Chile, Tokyo was informed on August 22, 1941 that the establishment of an intelligence network in Latin America had been proposed to secure information in the United States. Spies would be placed within the United States, American propaganda as revealed in printed matter and radio broadcasts would be analyzed and intelligence secured from sources in Latin America would be collected and evaluated.<sup>896</sup>

### **339. Japanese Representatives Visit South American Countries**

On September 2, 1941 Naval Attache Shigehiro in Buenos Aires informed the Lima Consulate that the Naval inspection party which had been scheduled to leave Argentina on the *Heiyo Maru* was unable to make connections, and was cancelling its reservations.<sup>898</sup> On Sep-

<sup>890</sup>III, 637.

<sup>891</sup>III, 638.

<sup>892</sup>III, 639.

<sup>893</sup>III, 640.

<sup>894</sup>III, 641.

<sup>895</sup>III, 642.

<sup>896</sup>III, 643.

<sup>897</sup>III, 645.

tember 6, 1941 Ambassador Itaro Ishii in Rio de Janeiro informed the Japanese representative in Lima that Secretary Kudo, who wished to make an observation trip, would arrive in La Paz on September 12 and Lima on September 16, 1941.<sup>899</sup>

On September 6, 1941 Foreign Minister Teijiro Toyoda instructed his representative in Buenos Aires that Mr. Mizukawa and Mr. Samurai Kosaka, telegraphic officials carrying secret papers and probably a cipher machine, would arrive there on October 15, 1941 aboard the *Toa Maru*. A safe for the office in Buenos Aires had also been entrusted to the captain of the *Toa Maru*.<sup>900</sup>

Another message from Mr. Toyoda informed Japanese representatives in Santiago that Mr. Kosaka would arrive in Valparaiso on the *Toa Maru* on October 6, 1941 carrying secret documents. The Foreign Minister urged that prompt dissemination be made of the information which Courier Kosaka was bringing to Santiago.<sup>901</sup>

When the *Toa Maru* sailed from Buenos Aires, it was expected that Mr. Ebizuka, who had been engaged in intelligence activities, would be aboard, bound for his new post.<sup>902</sup>

Aboard the *Toa Maru*, as assistant to Mr. Kosaka, the Telegraphic Secretary, was a Mr. Kusano, carrying the passport of a diplomatic courier. Although he was not to be placed on the diplomatic list, Foreign Minister Toyoda requested that the Brazilian government be requested to approve his employment in the office at Rio de Janeiro.<sup>903</sup>

Since Mr. Kosaka, who was scheduled to arrive on the *Toa Maru* in Rio de Janeiro around October 13, 1941, planned to continue to North America, the Foreign Minister asked that steamship reservations be made for him, and that an American passport be procured.<sup>904</sup>

### 340. Japanese Espionage Network Begins Operations

In line with the establishment of an efficient Japanese spy organization in South America on August 22, 1941 by Mr. Terasaki, the Japanese intelligence coordinator for the Americas, all Japanese offices in North America were ordered to give their immediate attention to the selection of qualified espionage agents. Among the spies was a seaman who was to be placed with some prominent steamship company servicing North American ports.

Foreseeing difficulties in selecting reliable individuals and in checking information derived from foreign countries, Mr. Terasaki emphasized the necessity of Japan's spending vast sums to procure men and administer the whole intelligence network. Combating American counter-espionage activities presented a problem since F.B.I. agents were known to be attempting to gain the confidence of those employed in the office of the Axis nations. He urged, therefore, that all Japanese agents be selected with care.

Each Japanese office in South America was to be equipped with radio sets capable of receiving United States' domestic broadcasts. Moreover, a central listening post would be located possibly in Brazil, where a secretary proficient in English shorthand would be on duty at all times.<sup>905</sup> It was learned later that American broadcasts would not reach beyond 1,000 miles. This made it impossible to establish a post either at Buenos Aires or Rio de Janeiro to listen to broadcasts made in the United States.<sup>906</sup>

Subscriptions to American papers and magazines were to be procured in the name of a South American for analysis by trained Japanese agents. Important spy centers were to be located in Brazil, Argentina, Chile and Colombia, the latter country was of importance be-

<sup>899</sup> III, 646.

<sup>900</sup> III, 647.

<sup>901</sup> III, 648.

<sup>902</sup> III, 649.

<sup>903</sup> III, 650.

<sup>904</sup> III, 651.

<sup>905</sup> III, 652.

<sup>906</sup> III, 653.

cause of its nearness to the Panama Canal. It would be necessary, therefore, to enlarge the telegraphic sections of all the Japanese offices and to use the intelligence sources supplied by the local Domei news agency, special correspondents and Spanish and Portuguese language correspondents. Japanese merchants would be employed to keep the organization informed of economic conditions in the United States. If the Axis diplomatic staffs were ordered out of the country before the Japanese, their German and Italian informants would be hired. Not only were Latin American spies to be used, but also those who lived in Spain and Portugal, since it would be possible, should Mexico enter the war, to relay information from Mexico to Spain where it could be retransmitted to Japan.<sup>907</sup>

### 341. Tripartite Powers Agree to Reciprocal Transportation of Diplomatic Material

By September 18, 1941 Japan, Germany and Italy had entered into a reciprocal agreement in regard to transporting diplomatic material and documents to and from American ports. Responsibility for transporting the documents varied according to the route.<sup>908</sup>

All contacts between Japan and Chile would be made by Japanese steamers and couriers and diplomatic pouch mail would be sent from Chile to Brazil. Permission had been secured to dispatch one courier a month between Brazil, Argentina and Chile.<sup>909</sup>

### 342. Japan Plans to Evacuate Its Nationals

Japan was preparing for the evacuation of Japanese nationals from all South American capitals. On September 20, 1941 Tokyo directed that Japanese residents, who were capable of maintaining themselves after economic relations had been severed, should not be evacuated. In addition, those whose incomes and livelihood were purely local in origin were to remain. Only Japanese residents of official status, those who had relations with Japanese industrial concerns, and those who were destitute, would be evacuated.<sup>910</sup>

Minister Goscoe Ohgimi in Caracas, Venezuela informed Tokyo on September 22, 1941 that all Japanese in Venezuela desired to remain, and that there were no destitute persons among them.<sup>911</sup> In Brazil, however, there were thirty-eight persons returning to Japan, including two officials, twenty-one destitute nationals and fifteen teachers,<sup>912</sup> who had been affected by Minister Anibal Hara's announcement on August 30, 1941 that subsidies for teachers and indigent Japanese nationals in Brazil were to be abolished owing to lack of funds.<sup>913</sup> If the diplomatic situation became more critical it was expected that approximately 180 officials and leaders would return to Japan.<sup>914</sup>

### 343. Japan Considers Using German Funds in South America

On September 22, 1941 Tokyo advised its representatives in South America concerning German funds in South America. Although its trade balance with South America had been unfavorable before the war, Germany planned to secure funds in South American branches of the Reichsbank to use in defraying expenses of its officials.

Germany also had decided to requisition the accounts of private German citizens, borrow on interest, exchange secretly the currency of various South American countries and send it abroad,<sup>915</sup> and, finally, sell German-owned bullion in South America. Since Ambassador Ishii

<sup>907</sup> III, 652.

<sup>908</sup> III, 654.

<sup>909</sup> III, 655.

<sup>910</sup> III, 656.

<sup>911</sup> III, 657.

<sup>912</sup> III, 658.

<sup>913</sup> III, 659.

<sup>914</sup> III, 658.

<sup>915</sup> III, 660.

believed that this would produce a considerable sum, he suggested that Germany's permission be obtained to use these funds in paying Japanese officials in South America.<sup>916</sup>

#### 344. Japan Imposes New Censorship Restrictions

On October 4, 1941 Japan issued two new orders, one a temporary order for postal control and the other a Communications Department order. The first order announced the powers of the Minister of Communications in time of war or emergency to issue an order for the (a) prohibition or restriction of mailing (b) censorship of mail and (c) prohibition of delivery of mail.

The second order provided for the prohibition of the use of codes and ciphers, secret ink, Braille, and other methods of secret communications, as well as the mailing of private post cards and double sealed envelopes destined for foreign countries.

In addition, it required that the sender's address be indicated. Mail destined for foreign countries was not to be stamped, previously, but was to have the postage attached so that the matter could be mailed at the post office. Mail to and from foreign diplomatic offices in Japan would be excepted from this order by the various countries concerned unless a Japanese request for reciprocity relaxing in their censorship rule was denied.<sup>917</sup>

#### 345. Foreign Minister Toyoda Explains Japan's Foreign Policy

In a message to Japanese representatives in South America, Foreign Minister Toyoda on October 9, 1941 discussed Japan's foreign policy in respect to the international situation. He confirmed the principles of the Tripartite Pact which he said had been founded with one purpose—that of preventing the spread of the European war and establishing world peace.

However, since the war had already spread throughout Europe it was now Japan's primary purpose to remove the causes for war between Japan and America by negotiating with America. However, as far as Japan was concerned, there was no change in its attitude to the Tripartite Pact; it was still attempting to settle the China incident, establish a co-prosperity sphere in Asia, prevent the spread of the war, ensure peace in the Pacific area, and, at the same time, prevent American participation in the war.<sup>918</sup>

#### 346. Japan Plans to Sabotage American-Bolivian Trade Activities

On October 10, 1941 Tokyo announced that it had learned from an interested commercial concern that Bolivia was now considering an agreement to supply the United States exclusively with all kinds of metals. Foreign Minister Toyoda suggested to Minister Tatsuki Sakamoto in Lima that it should not be impossible for Japan to forestall the American-Bolivian agreement and its supply of materials by encouraging the Mitsui Company to negotiate with the Bolivian government for a "barter" agreement. Foreign Minister Toyoda asked that he be informed of the outcome of the American-Bolivian conferences so that Japan could decide its future action.<sup>919</sup>

#### 347. Japan Requires Military Registration of its Nationals

Japanese military authorities had issued regulations requiring the registration of all nationals becoming eligible for military service during 1942. These persons were to register before November 30, 1941 with local authorities at whatever place their respective families maintained a residence.

<sup>916</sup> III, 661.

<sup>917</sup> III, 662.

<sup>918</sup> III, 663.

<sup>919</sup> III, 664.

On October 16, 1941 Tokyo expressed the belief that many Japanese nationals in South America, who were subject to military duty, were concerned over the question of reporting in time, owing to the uncertainty of the mails. Advice was asked as to the proper position to take in this regard, but Tokyo warned that this registration could not be postponed.<sup>920</sup>

(a) *Argentina*

**348. Minister Tomii Warns Tokyo of Insecure Telephone Communications**

In a message to Tokyo on August 16, 1941 Minister Tomii warned the Foreign Office against permitting Japanese commercial firms to transmit confidential information over the telephone, since it was well known that the local telephone company in Buenos Aires was making transcriptions of all conversations transmitted between Japan and Argentina. He felt that certain matters which an unnamed business concern in Japan was telephoning to Argentina could prove very embarrassing if disclosed to the public. Since it was more difficult to control telephone conversations than telegraphic communications, Minister Tomii urged that both private and governmental conversations be supervised so that leakage of secret information could be avoided. Representatives of the Axis nations were quite disturbed at the time because of an Argentinian investigation into Nazi activities.<sup>921</sup>

**349. Japanese Minister Stresses Argentina's Desire for Neutrality**

In a message on August 20, 1941 Minister Tomii advised Tokyo concerning the trend of public opinion in Argentina. During a speech made by Argentina's President, Ramon S. Castillo, to the graduating class of the University of Jurisprudence at Buenos Aires, the President cautioned that Argentina must be on its guard against those of its nationals who were in close touch with the German Embassy. On the other hand, he warned the pro-British and pro-American factions must not use force against Axis sympathizers.

The newspapers with British and American backing, primarily the *Prensa* and the *Nacione*, had opposed President Castillo's speech as arousing confusion in the minds of Argentinians and creating a diversity of opinion among the people. The Japanese Minister then revealed that the Argentina House Committee investigating Nazi activities had authorized the confiscation of 83 boxes containing Axis printed propaganda which had arrived on the *Hana Maru* on August 8, 1941.<sup>922</sup>

**350. Japanese Minister Says Argentina Favors the United States**

On September 18, 1941 Minister Tomii informed Japan concerning the persistent efforts of the United States to win over Argentina to the Anglo-American side. Referring to a mass meeting which had been held under the auspices of Argentina labor groups, and also to a bill which had been presented in the Lower House requesting the government of Argentina to support the Roosevelt-Churchill program, Minister Tomii said that the American Congress had invited the Argentina Lower House to send a group of representatives to the United States.

In view of the fact that the time was approaching for an Argentina election, Minister Tomii believed that the minority party was bringing up the question of international policy in an attempt to attack American "pressure" upon those in power. Furthermore, the minority group asserted that the Fascist Party as well as Argentina leaders in economic and military affairs were being softened by United States' "dollar diplomacy".

<sup>920</sup> III, 665.

<sup>921</sup> III, 666.

<sup>922</sup> III, 667.

According to Minister Tomii, the Argentina government wished to obtain military supplies from the United States and was anxious to increase its exports to that country; consequently, it would be in favor of maintaining great amity toward the United States.<sup>923</sup>

Minister Tomii pointed out that the situation had become delicate for although acting President Castillo had resolutely upheld a neutrality policy, the Argentina Minister of War, who had recently attended an international celebration at Brazil, was currently attending a similar celebration in Chile, apparently for the purpose of exchanging opinions with the A.B.C. powers regarding a unified international policy.

Although the policy was still not known on September 18, 1941, Minister Tomii surmised that the A.B.C. powers would attempt to maintain peace in southern South America by co-operation with the United States. This theory was also held by those close to President Castillo.<sup>924</sup> In view of this situation the daily operations of the investigating committee against Nazi activities were expected to increase. However, Mr. Tomii did not expect that Italy or Japan would be effected.<sup>925</sup>

### 351. Minister Tomii Protests the Smuggling of a Radio Transmitter into Argentina

Learning that a radio transmitter was being brought to Buenos Aires by a Japanese Naval Attaché, who was aboard the *Toa Maru*, Minister Tomii immediately warned Tokyo concerning the inadvisability of such a move. He stated than when informed of this plan he had conferred with the Naval Attaché in Buenos Aires as to the Navy's motive, and had been told that it was hoped to use the transmitter once or twice subsequent to, and in the event of, severing diplomatic relations between the two countries.

The Japanese warned Tokyo that the use of radio transmitters might cause considerable difficulties should war between the United States and Japan break out, if Argentina remained neutral. In that case, it was clear that Argentina as well as all other South American countries would be more dependent upon Great Britain and the United States than ever before.<sup>926</sup>

Minister Tomii emphasized that in view of recent scientific developments it would be simple for Argentina, Britain or the United States to discover the use of a Japanese transmitter. A grave diplomatic scandal would result from a belligerent country using a neutral nation as a base for military operations. Critical relations between Japan and Argentina would become unavoidable.

In mentioning the foiled Nazi plot to take over the Argentina government, Minister Tomii stated that Argentina customs officials had become very strict. Therefore, it would be difficult to transport the transmitter into the country, and it would be equally dangerous to maintain it there.<sup>927</sup> The conspiracy to which the Japanese Minister referred had taken place on September 23, 1941. It involved certain air force officials stationed at Cordova and Paruna. In advising Japan of the plot, Minister Tomii explained that although little had come of the seditious activities and national accord had been restored, increased measures had been undertaken to ensure the safety of the Argentina government.<sup>928</sup>

### 352. Argentina Minority Criticizes Anti-Axis Trend

The minority party in Argentina had become strongly antagonistic toward what it termed "government dictatorship", and was greatly aroused over the question of renouncing the German Ambassador. It also resented the existence of Anglo-American influence in administrative circles, and planned to stop the building in Argentina of military bases for the joint defense

<sup>923</sup> III, 668.

<sup>924</sup> III, 669.

<sup>925</sup> III, 670.

<sup>926</sup> III, 671.

<sup>927</sup> *Ibid.*

<sup>928</sup> III, 672.

of the western hemisphere.<sup>929</sup> The administration replied that diplomatic prerogatives belonged to the government alone, and influential circles in the Assembly supported this statement. According to the Japanese Minister this was but one aspect of the increased bitter political strife in the country.<sup>930</sup>

On October 6, 1941 President Castillo, while attending a religious ceremony in Rosario, reemphasized that the Argentina people must remain distinctly neutral. President Castillo assured the people that various external and internal problems would be settled in compliance with Argentina's needs and interests, and definite steps were being developed in support of neutrality. In keeping with the new plan, foreign residents in Argentina, although maintaining connections with belligerent countries, would not be questioned as long as they respected Argentina traditions.<sup>931</sup>

### 353. Joint Japanese-Argentina Trade Conference Is Advocated

On September 28, 1941 Minister Tomii who had reported previously concerning the attitude of Argentina authorities regarding Japanese ships, warned Tokyo that the *Tokai Maru*, anchored in the Buenos Aires harbor, was experiencing difficulty in obtaining enough fuel for the return trip.<sup>932</sup>

Conferring with the Argentina Trade Bureau Director in Buenos Aires, Minister Tomii learned on October 8, 1941 that Argentina had not decided on a definite policy for import and export trade. Argentina was finding it difficult to obtain supplies of tin, tin plate, aluminum, antimony, iron plate, jute, silk thread, rayon, and especially fuel oil, and because of the shortage of power some factories had been forced to close. Therefore, the Argentina Trade Bureau Chief suggested that if Japan were having similar difficulties in obtaining raw materials, a conference for the exchange of necessary goods should be called.

Since the trade of both countries was suffering from the present shortage of ships, it was suggested that Japan continue its shipping schedules in order to induce Argentina to share its supply of fuel oil with Japan.<sup>933</sup> The combination of American freezing laws and Argentina currency control was causing Japanese businessmen much concern.<sup>934</sup>

#### (b) Brazil

### 354. Tokyo Seeks Evidence in Brazil Against Japanese Journalist

Mr. Tadao Mitsuura of the *Asahi* newspaper was arrested in Japan because of suspicious actions, and Tokyo desired to obtain a letter he had written to a person in Sao Paulo. Foreign Minister Toyoda in his message to Sao Paulo requested that the Japanese Minister obtain this evidence. If the Japanese Minister expected that the recipient of the letter would refuse to hand it over on the basis that it might compromise Mr. Mitsuura, he was instructed on August 12, 1941 to request competent Brazilian authorities to intercept the letter and release it to him.<sup>935</sup>

### 355. Colonel Uchinomiya Leaves Japan for Post in Brazil

On August 26, 1941 Tokyo announced that Colonel Naokata Uchinomiya was departing on the *Toa Maru* for his new post as Military Attaché at the Japanese Embassy in Brazil.<sup>936</sup>

<sup>929</sup>III, 673.

<sup>930</sup>III, 674.

<sup>931</sup>III, 675.

<sup>932</sup>III, 676.

<sup>933</sup>III, 677-678.

<sup>934</sup>III, 679.

<sup>935</sup>III, 680.

<sup>936</sup>III, 681.

### 356. United States Official Advise Brazil on Purchase of Axis Ships

In regard to the sale of Axis ships interned in Brazilian harbors, Ambassador Ishii reported in a message to Tokyo on August 28, 1941 that Germany appeared to be holding out for payment in foreign money. He added that the presidents of the Moore-McCormack Import Bank had recently arrived in Rio de Janeiro to confer with Brazilian officials in connection with the sale of the Nazi vessels.<sup>937</sup>

### 357. Japanese Army Negotiates for Purchase of Brazilian Diamonds

On September 16, 1941 the General Affairs Department of the Japanese government informed its representatives in Rio de Janeiro that the Japanese War Ministry was sending 150,000 yen for the purchase of diamonds. The Japanese War Ministry also wished information concerning the possibility of acquiring highgrade mica and quartz.<sup>938</sup>

### 358. Japan Promotes Propaganda Activities

In regard to the dissemination of Japanese propaganda in Brazil, Ambassador Ishii reported on September 12, 1941 that an agreement had been reached between Domei officials and the Director of the South American Newspaper Bureau to permit Domei news broadcasts. There had been no objections to the wave length but Domei had been requested to use more power.

Since Japanese language reports had little appeal in Brazil, Ambassador Ishii requested the appointment of a special commentator to discuss current world events in Portuguese.<sup>939</sup>

Although he had stated that propaganda in the Japanese language was of little value in Brazil, Ambassador Ishii reported that he had disseminated this material through official channels to Japanese nationals living in the interior who were under the jurisdiction of this office. Translation of this same propaganda was being published on the Sao Paulo *Correo Paulistano* and the *Brazil Asahi*. Until arrangements could be made for permission to use a special correspondent for English text propaganda, the Japanese were supplying various newspapers with Stefani dispatches which up to this time had not been used to any great extent.<sup>940</sup>

### 359. Japan Learns of Portugal's Plans to Protect Atlantic Possessions

On October 10, 1941 Ambassador Ishii advised Tokyo of secret reports regarding the Portuguese situation. According to the German Ambassador to Brazil, the Portuguese government, a few months before, had requested that Brazil assume protection of Portuguese possessions in the Atlantic in the event that Germany or the United States threatened to occupy them, or should Portugal itself be invaded by Germany and its government find it necessary to flee to Brazil.

However, since the Brazilian government had close relations with the United States, it said that it could not accept this responsibility, if the United States were to take over the islands. On the other hand, in the event that Portugal were invaded by any other power, Brazil said that protection of the islands would be undertaken through Pan-American cooperation, with Brazil assigned the role of "symbolic protection".<sup>941</sup> No response had been received as yet from the Portuguese government, and though it was still a matter of conjecture as to what Brazil meant by "symbolic protection", the German Ambassador believed that the flags of both Portugal and Brazil would be flown side by side.<sup>942</sup>

<sup>937</sup> III, 682.

<sup>938</sup> III, 683. This message was not translated until March 21, 1945.

<sup>939</sup> III, 684.

<sup>940</sup> III, 685.

<sup>941</sup> III, 686.

<sup>942</sup> III, 687.

### 360. Tokyo Seeks American Equipment for Chilean Attaché

On October 16, 1941 the Chief of the General Affairs Section in Tokyo directed the Japanese Embassy in Washington to send a shortwave radio set and a car to Chile by steamship, if possible. The General Affairs Section was to be advised of the cost of the freight charges and the time required for the trip. If the purchases could be made, Colonel Wake would bring the necessary money to the United States.<sup>943</sup>

### 361. Japan Attempts to Raise Money for Chilean Purchases

The problem of obtaining sufficient currency to purchase materials desired by Japan was acute in Chile. On August 20, 1941 Minister Yamagata advised Tokyo that Chilean firms had begun to demand advance payment on all exports of copper ore. Through the efforts of the Argentina government and German banks, Mr. Yamagata reported that he had been able to obtain enough money to conclude one contract, but the possibility of raising \$250,000 for the purchase of other ores and wool seemed slight at the present time. Permission was requested to begin negotiations to obtain \$100,000 from a German bank with the Yokohama Specie Bank furnishing a guarantee.

According to the Japanese Minister, all important persons in Chile, including the Minister of Foreign Affairs, had assumed a friendly attitude toward Japan but none was willing to lend money at Chile's risk.<sup>944</sup>

### 362. Japan Plans to Take Advantage of Anti-American Feeling in Chile

Unlike other South American countries, Chile, according to Minister Yamagata, had not instituted anti-Japanese restrictions. Since Chile was the chief exporter of copper, tin and nitrates to the United States, Minister Yamagata felt that its pro-Japanese feeling and undercurrent of anti-Americanism should be used to advantage in maintaining the neutrality of Chile, and strengthen opposition to the United States.<sup>945</sup>

To obtain the greatest results at the least cost, Minister Yamagata suggested that the following plan for the carrying out of this policy via newspaper, radio, motion pictures, lectures, and printed matter be instituted in September. An increased allotment of 15,5000 yen would be required for a seven months period, and should be sent along with the second installment. The plan included:

1. The increase of 500 yen a month for the transfer of daily broadcasts from the old station to a new broadcasting unit, said to be the highest powered station in South America.
2. The increase of 900 yen a month for reprinting Domei news in *El Chileno*, the morning newspaper with an anti-American editorial policy.<sup>946</sup>

Since Minister Yamagata also considered the possibility of interesting *Diario Ilustrado* and *El Chileno* in reprinting a series of impressions from Japan, Tokyo was requested to have Domei send dispatches once a week and to inform the Santiago office beforehand regarding the time and wave length of the broadcasts.<sup>947</sup>

On October 10, 1941 Minister Yamagata, referring to a statement by United States correspondents in the local papers which announced that friendly talks had been initiated between Japan and Chile, requested permission to release full details of the conversations.<sup>948</sup>

<sup>943</sup> III, 688.

<sup>944</sup> III, 689.

<sup>945</sup> III, 690.

<sup>946</sup> III, 691.

<sup>947</sup> III, 692.

<sup>948</sup> III, 693.

**363. Secretary Ichiro Kawasaki is Ordered Home**

On September 6, 1941 Foreign Minister Toyoda ordered that Secretary Kawasaki in Santiago return to Japan.<sup>949</sup>

(d) *Colombia*

**364. Special Courier to Bring Secret Documents to Bogota**

According to a dispatch on October 14, 1941 a special courier from Santiago was departing for Bogota with secret documents.<sup>950</sup>

**365. Minister Iungo Yanai Condemns Lack of Security in Commercial Dispatches**

The insecure communications of Japanese business firms had been of great concern to Minister Tomii in Argentina. In addition, on August 16, 1941, Japan's Minister to Colombia, Mr. Jungo Yanai, who had just returned from Ecuador,<sup>951</sup> expressed anxiety over a plain text telegram regarding the purchase of platinum, which an undisclosed Tokyo commercial firm had sent to its representative. The same message had been handled in Japanese diplomatic code some days before. The Japanese Minister advised that if this practice were to continue, it would not only damage Japan's import trade, but it would jeopardize the reputations of both himself and Naval Attaché Shigehiro. If such secret information leaked out, Japan would not be able to make any further purchases of platinum, and Minister Yanai urged that more caution be taken in the future.<sup>952</sup>

On October 1, 1941 Minister Yanai again warned against laxity in transmitting commercial messages. Referring to a cable received by a businessman of Bogota from a Mitsui official in New York, which included not only detailed explanations of some secret plan, but had also transmitted the wrong instructions, Minister Yanai warned that he did not believe it safe to send messages between New York, Tokyo and Colombia on this matter. He asked that the Japanese Navy Department issue orders to the Mitsui Company to this effect.

The fact that the local press was calling the attention of the public to the large amounts of valuable materials secretly being exported to Japan and Germany caused Minister Yanai to reiterate his pleas for caution at this time. He revealed that the government of Colombia, in an attempt to check these exports, was sending secret investigators throughout the country.<sup>953</sup>

**366. Minister Yanai Requests Additional Funds**

On October 7, 1941 Minister Yanai, indicating that he had been successful in obtaining some desired items, requested additional funds from the Naval Attaché in Mexico City.<sup>954</sup>

(e) *Ecuador-Peru*

**367. Messrs. Watanabe and Makizawa Leave Peru for Ecuador**

Messrs. Noboru Watanabe and Makizawa, two Japanese officials, were scheduled to leave Callao, Peru on the *Santa Luisa* on September 11, 1941. After making a landing at Quayaquil, they would travel to Quito by train.<sup>955</sup>

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<sup>949</sup>III, 694.

<sup>950</sup>III, 695.

<sup>951</sup>III, 696.

<sup>952</sup>III, 697.

<sup>953</sup>III, 698.

<sup>954</sup>III, 699.

<sup>955</sup>III, 700.

### **368. Peruvian-Ecuadorean Border Dispute Continues**

A border dispute between Peru and Ecuador continued through August and October, 1941 with armed conflicts taking place sporadically throughout the period. Little traffic concerning Ecuador was intercepted during this period, but Minister Yanai accredited to Bogota, Colombia kept the Japanese government informed of current events.

### **369. Ecuador Blames Standard Oil Company for Border Incident**

The President of Ecuador believed that Peru's aggression had been incited by the Standard Oil Company, which he said, possessed vested interests in the southern part of Peru, and was attempting to encroach upon the rights of the Shell Oil Company in the Cuenca and adjacent area of Ecuador.

The United States had sold fifteen bombers to Peru, but had refused to send five planes or any military supplies to Ecuador. Because of this Ecuador could not subscribe to the United States' plan for Pan-American solidarity. The Japanese Minister believed that Ecuador would not send a representative to the approaching Good Neighbor conference unless the border question was settled.<sup>956</sup>

### **370. President Arroyo Del Rio Clears Japanese Commercial Experts**

On September 18, 1941 Minister Yanai reported that Mr. Juan Martinez, an intimate friend of the Provisional President of Ecuador, Dr. Carlos A. Arroyo Del Rio, had made a special report which had resulted in a complete transformation of the President's attitude toward Japanese commercial experts who had been forced to leave the country. The President stated that all suspicions formerly directed against the Japanese experts had been dispelled, but owing to the unstable internal and foreign conditions of the country, he felt that their return at this time would be a bit premature. However, by the end of the month he might ask them to return.<sup>957</sup>

### **371. Peruvian Minister Accuses Ecuador of Creating Border Incident**

According to a confidential report given to Minister Hisashi Nanjo at Havana by the Peruvian Minister, negotiations were being carried on between the United States and Ecuador for a ninety-nine year lease of the Galapagos, off the west coast of Ecuador. Since Ecuador was not able to withstand American pressure, its government was attempting to obtain as much as possible under the circumstances. The Peruvian Minister stated that Ecuador had deliberately instigated a border dispute in order to benefit from an advantageous solution by the United States, which would be asked to mediate in the name of hemispheric cooperation. Ecuador even hoped to obtain lend-lease materials from the United States.

According to the Peruvian Minister, this maneuver had not been successful for although the Acting Secretary of State, Mr. Sumner Welles, had summoned the Peruvian Ambassador in Washington and had made a veiled threat by announcing that the United States had decided to give two destroyers to Ecuador, Brazil had withdrawn from the mediation and the situation was disadvantageous to Ecuador.<sup>958</sup>

### **372. Minister Sakamoto Requests Azuma Maru Be Sent to Lima**

On October 8, 1941 Minister Sakamoto in Lima requested that the Japanese Navy Department order the *Azuma Maru* to stop at a Peruvian post on its return voyage to Tokyo to take on materials accumulated there. It was expected that possibly 2,000 tons of cargo in excess of the previous estimate could be loaded. Minister Sakamoto requested an immediate reply.<sup>959</sup>

<sup>956</sup> III, 701.

<sup>957</sup> III, 702.

<sup>958</sup> III, 703.

<sup>959</sup> III, 704.

**373. Japan Attempts to Bribe Peruvian Officials**

Foreign Minister Toyoda informed Minister Sakamoto in Lima that he was shipping to the Peruvian Finance Minister a set of European style dishes specially manufactured by the Nagoya China Company, and five Cloisonne flower vases to the Chief Assistant to the Finance Minister. These gifts were to be presented to the Peruvian officials with the compliments of Japan, and with the secret hope that Japan would get what it wanted from them more easily.<sup>960</sup> However, on October 14, 1941 Minister Sakamoto advised Tokyo that there was no hope of negotiating with the Peruvian government.<sup>961</sup>

**374. Mr. Kihara Replaces Secretary Matsumoto in Peru**

Minister Sakamoto in Lima advised the Japanese office in Panama that Secretary Bunazaburo Matsumoto planned to leave Lima with secret documents and was scheduled to arrive in Cristobal, Venezuela on the *Imperia* on October 12, 1941.<sup>962</sup> When Tokyo requested that the Lima office reserve passage on the *Terukawa Maru* for Mr. Matsumoto, who desired to sail on that ship,<sup>963</sup> Mr. Sakamoto responded on October 14, 1941 that the new successor to Secretary Matsumoto, Secretary Jitaro Kihara, was encountering difficulty in obtaining travel expenses. He urged that Tokyo investigate this matter immediately.<sup>964</sup>

**375. Japan Continues Trade with Peru**

On October 14, 1941 the *Terukawa Maru*, according to Foreign Minister Toyoda had space available for 135 tons of cargo, which Japanese officials in Lima were to fill with materials necessary to Japan. Although the proper procedure was to have the Japanese Minister obtain these materials from the Peruvian government, the Japanese Foreign Office had decided that the respective private firms would import the materials and issue their own letters of credit. The Foreign Minister advised that every precaution be taken to avoid misunderstanding in the settlement of price between the Peruvian government and the sellers on the one hand and the Japanese firms on the other.

Since there were no prospects at present for assigning a ship to transport salt, the Foreign Minister asked that the Japanese representatives bargain with the Peruvian government for 250,000 sol of salt by telling them that a ship would soon be assigned by Japan to export it. Japan desired to remit the price each time an importation of salt was effected. Foreign Minister Toyoda also advised that a supply of sugar be obtained so that Japanese dealers could sell it in Peru.<sup>965</sup>

Upon learning that the *Terukawa Maru* might take aboard freight at Callao, Minister Yanai at Bogota, Colombia urged that the Japanese Embassy in Argentina be informed when the ship put into port.<sup>966</sup> Foreign Minister Toyoda replied that the *Terukawa Maru* would not be able to stop at Bogota and asked that Minister Yanai confer with the Argentina Ambassador to urge that he board this ship at Callao.<sup>967</sup>

<sup>960</sup> III, 705.

<sup>961</sup> III, 706.

<sup>962</sup> III, 707.

<sup>963</sup> III, 708.

<sup>964</sup> III, 709.

<sup>965</sup> III, 710.

<sup>966</sup> III, 711.

<sup>967</sup> III, 712.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(f) *Japanese-British Relations***376. British Freezing Order Impels Japanese to Evacuate Hongkong**

Suspecting that an order freezing Japanese assets would be put into effect throughout the British Empire, Japanese representatives in Hongkong reported to their Foreign Minister in August, 1941 that considerable unrest was apparent among the Japanese residents who feared that Japanese ships would be denied entrance to the harbor.<sup>968</sup> When disclosing this situation to its representative in Canton on August 6, 1941, Tokyo inquired about the possibility of evacuating Japanese nationals by way of Canton.

In the meantime, an attempt was made to secure guarantees from English officials that Japanese ships would be permitted to leave Hongkong.<sup>969</sup> On August 8, 1941 Hongkong reported that since the *Shirogane Maru* was leaving Canton unimpeded and that since British authorities were not impeding the *Takuun Maru* then docked at Hongkong, no interference with Japanese shipping was anticipated, though the British had not as yet given any guarantee.

Nevertheless, preparations continued for the evacuation of approximately 110 subjects, the majority of whom were families of the Japanese staff and residents in Hongkong. With all mail steamers filled to capacity, it was suggested that the *Kamo Maru*, after leaving Kakao on August 20, 1941, take aboard some of these people at Hongkong. At the same time Japanese vessels were warned to prepare for detailed inspection of all cargoes by the British civil administration.<sup>970</sup>

Realizing that an official order to evacuate Hongkong would heighten the already critical situation, the Chief of the East Asia Bureau advised on August 10, 1941 that the withdrawal of Japanese subjects should give the appearance of being carried out under their own initiative.<sup>971</sup>

**378. Rumors Indicate Japanese Evacuation Near Johore**

In other sections of the Near East Japanese subjects were also preparing to return to their home land. Learning from a Singapore news dispatch of August 16, 1941 that Japanese near Johore in the Malay States had been ordered to evacuate, Tokyo, on August 23, 1941, requested verification of the report and complete details.<sup>972</sup>

**379. Japanese Officials and News Correspondents Prepare to Leave London**

At this time high ranking officials, including Lieutenant Colonel Yoshii and Commander Nakano, the assistant military and naval attaches at the Japanese Embassy in London, as well as Mr. Hasegawa and Mr. Nakamura, special news correspondents representing the Domei and Asahi syndicates respectively, prepared to leave London. The Japanese Ambassador in London inquired on August 20, 1941 concerning the advisability of these men returning to Japan via Panama in view of their military status and the existing international situation.<sup>973</sup>

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<sup>968</sup> III, 713.

<sup>969</sup> III, 714.

<sup>970</sup> III, 715.

<sup>971</sup> III, 716.

<sup>972</sup> III, 718.

<sup>973</sup> III, 719.

### **380. Japanese Considers Bartering with British**

Although evacuation plans were of major importance during the months of August and September, 1941, the problem of stabilizing trade relations between Japan and Great Britain was of equal concern. Since, according to Tokyo, by freezing Japanese funds and by abrogating treaties Great Britain had greatly curtailed Japanese commerce, Japan was willing to give careful consideration to a British proposal for the use of barter in trade between the two countries. Japan decided that the agreement would facilitate the settlement of its banks' financial problems, yet was anxious lest too prompt acceptance of the British proposal expose Japan's position. However, on August 15, 1941 Tokyo instructed its Embassy in London to order Mr. Kitaro Kato to arrange negotiations with the British and Netherlands East Indies banks.<sup>975</sup>

At the same time Japan continued to study the terms of the proposed agreement pertaining to the type of British commodities which would be supplied under it, and also the areas in which the agreement would be carried out. In Japan's opinion the new trade relationship should be put into effect throughout Great Britain's colonies, and not be limited to England itself.<sup>976</sup>

### **381. Japan Investigates British Military Preparations in Iran**

In view of its alliances under the Tripartite Pact, Japan believes that it had to fear not only British economic pressure in the Far East but also the effects of British military preparations in other parts of the world on its ally, Germany. Since the European War had allied Great Britain with Russia, Tokyo was concerned with the trend of events in Iran where unforeseen developments might easily turn the tide of the Russo-German war.

For information gathered by the head of the Mitsubishi Branch in Iran, Tokyo learned of an increase in British shipping at ports on the Persian Gulf. By docking an average of five ships daily, Great Britain had brought the number of British and Australian troops in the area up to 200,000. In addition, trucks, speedboats equipped with depth bombs, machine guns and other military supplies were being unloaded rapidly. Yet in spite of the twenty-eight cranes used in these unloading operations, many ships were still anchored in the outer harbor at Basra waiting to put their cargoes ashore.<sup>977</sup>

In view of the fact that the British army had commandeered in Basra between 350 and 400 lighters, and had equipped them with plank covers, it seemed probable that the British were preparing to land their men and supplies in frontal assault on German lines. This theory was further substantiated by British use of the newly-completed railroad from the Basra harbor to Koweit and by indications of a new connection with Bahrein Island.

Apparently, the Iranian government feared British preparations for war on its territory. On August 5, 1941 at the commemoration of the promulgation of the Constitution, Mr. Mobangaru, an influential member of the Iranian Parliament, warned his fellow members that Iran must prepare against joint British and Russian pressure. Mr. Mobangaru had been attacked by the Director of the British Imperial Bank in Iran because of the pro-German attitude in the country.<sup>978</sup>

After receiving this information concerning British military activities in Iran, the Japanese representative there went to the German Minister. In spite of the fact that the source of Japanese information was supposedly authentic, the German Minister refused to believe that either British troops or supplies were as numerous as reported; he considered the information to be English propaganda. Nevertheless, the Japanese representative in his message to the

<sup>975</sup> III, 720.

<sup>976</sup> *Ibid.*

<sup>977</sup> III, 721.

<sup>978</sup> *Ibid.*

Foreign Minister on August 18, 1941 warned his government that the situation in Iran had grown extremely critical since the onset of the Russo-German war.<sup>979</sup>

Although the Iranian Foreign Office denied the rumor, there seemed to be some truth in the statement that Great Britain had requested permission to transport its troops through the country. It was rumored, too, that on August 5, 1941 the American Legation had secretly advised the evacuation of Americans from Iran.

Once the Russo-German war had been concluded, Japanese sources warned, the dangerous situation existing in Iran would be brought to a head, for then German troops would encroach upon the northern border of Iran and Great Britain would use Iran as a buffer state for the protection of India.

The statement by Secretary of Foreign Affairs, Anthony Eden, that Britain only wished to protect Iran from German Fifth Columnists was regarded merely as a British excuse. In fact, because the German Minister in Iran realized that the British government might make the first move to protect British oil companies, he was attempting to align the Iranians with the Axis by a policy of not irritating them in any manner.<sup>980</sup>

### **382. Japanese Business Firms Charge Singapore Police with Oppression**

The Kobayashi firm, which for the past three years had been granted permits to carry on its business activities in Singapore, reported in August 1941 that oppressive measures were being taken against it. In order not to aggravate the situation, on August 25, 1941 Tokyo advised that the books of this concern be put in order to meet the control measures of the British authorities in Singapore. However, in retaliation not only was a stong protest to be made to Ambassador Robert Craigie, but British propaganda in Japan was to be curtailed.<sup>981</sup>

### **383. Tokyo Continues Negotiations for Barter with British**

A Japanese Cabinet meeting on August 26, 1941 decided to continue negotiations for reciprocal trade with the British.<sup>982</sup> Since the proposed use of a barter system was designed to adjust the existing trade balances between British and Japanese banks, Tokyo believed that the terms should be drawn up by the Yokohama Specie Bank and by the British Dutch Bank, without any public announcement before or after a final plan was evolved.<sup>983</sup> Therefore, on August 27, 1941 Mr. Hisaakira Kano, branch manager of the Specie Bank in London, was notified of the arrangement.<sup>984</sup>

Although the original British proposal was acceptable almost as submitted, certain revisions in the articles and phraseology were still under discussion. Because the transportation of the material would be effected largely by Japanese ships, the Japanese government believed that England should furnish the necessary fuel and should extend certain facilities to Japan's cargo vessels. On August 27, 1941 Tokyo requested its London Embassy to present this stipulation in writing to the British.<sup>985</sup>

### **384. Foreign Minister Toyoda Criticizes Editorial Policy of Singapore Herald**

Foreign Minister Toyoda warned the Japanese representatives in Singapore on August 28, 1941 to see to it that the *Herald* did not publish more editorials which were anti-Axis in tone.<sup>986</sup> Japanese authorities in Singapore replied that, whereas it was impossible for them to

<sup>979</sup> III, 722.

<sup>980</sup> *Ibid.*

<sup>981</sup> III, 723.

<sup>982</sup> III, 724.

<sup>983</sup> III, 725.

<sup>984</sup> III, 726.

<sup>985</sup> III, 725.

<sup>986</sup> III, 727.

direct the writing of each article, they had informed the paper of what its editorial policy should be: namely, to avoid provoking the British and to give the impression that Japan's aims, interfering in no way with the rights and interests of the English, were directed toward a Far Eastern peace.

A month before, in July 1941, British authorities in Singapore, through Mr. Scott, the former chief of the Far Eastern Section, had warned Mr. Jones, the *Herald*'s editorial writer, that it was particularly inadvisable for an Englishman to write such analytical and critical editorials for a Japanese newspaper. Nevertheless, Mr. Jones had chosen to remain on the staff. According to the Japanese report, it was clear that the *Herald*'s editorial, which had aroused much comment, had not been written under Japanese direction, but it was regrettable that Japan had permitted the publication of material suitable for use in British propaganda.<sup>987</sup>

### 385. Canada Imposes Restrictions on Foreign Messages

Because of Canada's proximity to the United States and England, its reactions to international diplomatic situations were carefully noted by the Japanese Embassy in Ottawa as an indication of trends common among the Allied nations. It was reported from Ottawa on August 26, 1941 that because of its entrance into the European war, Canada was prohibiting even the clearance of official foreign code and clear text telegrams when addressed to or sent by a private individual.

Although conscious that inconveniences would naturally arise, the Canadian government was resolute in allowing the transmission of only those official messages between Japanese consular offices in Canada and the United States which were clearly marked "Japanese Consul" or "Japanese Consul General."<sup>988</sup>

### 386. Canada Plans to Exchange Ministers with Chungking

Only a few days later Japan received evidence of Canada's tendency toward pro-Chinese and anti-Japanese policies. From Ambassador Seijiro Yoshizawa in Ottawa came a report on August 30, 1941 of a rumor that Canada was planning to exchange ministers with the Chungking government. To determine the truth of the story appearing in local Canadian newspapers, the Japanese Ambassador in Ottawa questioned Prime Minister MacKensie King. He learned that diplomatic negotiations to effect such an exchange had been underway for some time, aided by the British Ambassador in Chungking.<sup>989</sup>

In view of the establishment of the Japanese-sponsored regime at Nanking,<sup>990</sup> Ambassador Yoshizawa impressed the Canadian Prime Minister with the advisability of notifying Japan prior to any official decision.<sup>991</sup>

### 387. Tokyo Permits British Evacuation from Japan

Although diplomatic relations were still not severed, both Japan and England continued arrangements for evacuating their nationals from the other's territory.

At the request of the British Ambassador in Tokyo, the Japanese government issued an oral statement granting the same facilities for the arrival and departure of British evacuation ships at Japanese ports, as had been guaranteed to Ambassador Mamoru Shigamitsu in London, when the *Fushimi Maru* removed Japanese subjects from Great Britain.<sup>992</sup>

<sup>987</sup> III, 728.

<sup>988</sup> III, 729.

<sup>989</sup> II, 730.

<sup>990</sup> Japan has set up a puppet government in Nanking. See II, Japanese-Nanking Relation.

<sup>991</sup> III, 730.

<sup>992</sup> III, 731.

In return for the safe passage of British ships, Japan instructed its Ambassador in London, on August 28, 1941, to obtain further assurance that nothing would hinder its vessels from taking Japanese nationals aboard at Karachi, British India.<sup>993</sup>

### 388. Tokyo Evacuates Nationals in British Territory

As preparations for the evacuation of Japanese nationals from all British territories progressed, Tokyo, on August 29, 1941, ordered its Ambassador in London to explain to the British authorities that the *Matsumoto Maru* at Calcutta and another ship at Durban had no accommodations for the evacuees from Mombasa in Kenya, South Africa. Since it would be necessary to dispatch two other Japanese ships for that purpose, a guarantee of safe passage was requested by the Japanese government.<sup>994</sup>

### 389. Britain Guarantees Safe Passage for Hakone Maru

Negotiations were continued in order to obtain further guarantees on the part of both the Japanese and British governments that no obstacle would be placed in the way of the evacuation ships.

According to an agreement with Ambassador Robert Craigie in Tokyo, safe transit for the *Hakone Maru*, sailing through the Persian Gulf en route to Bombay, was assured. In exchange, English ships, sent to Japan and China for the evacuation of British and Allied nationals, were granted similar facilities.<sup>995</sup>

### 390. British and Japanese Banks Negotiate Trade Settlements

The beginning of September 1941 found Japanese and British banking concerns negotiating for further trade between the two countries. Tokyo revealed that authorities of the British Netherlands Bank had approached the London branch of the Yokohama Specie Bank about the possibility of establishing a settlement account to facilitate commercial payments.

The Yokohama Specie Bank proposed that before arranging such a system, a list of materials for export by both the British and Japanese governments be drawn up for discussion. The Japanese government was anxious to carry on trade with British territories and colonies in cotton goods and other miscellaneous materials known to be lacking in these areas. Tokyo felt that such a measure would alleviate some of the trade problems which had resulted from the British freezing order.<sup>996</sup>

### 391. Japanese Embassy in London Discloses Background of Atlantic Charter

On September 2, 1941 the Japanese government sent to Berlin a report received from the Japanese Embassy in London concerning the background of the Atlantic Charter signed by President Roosevelt and Prime Minister Churchill on August 14, 1941.<sup>997</sup>

From the information received it was learned that the eight points of the Atlantic Charter were originated by President Roosevelt. Because these points touched upon the question of the distribution of territories throughout Europe, Prime Minister Churchill hesitated to sign the document at first, fearing that diplomatic problems might arise in consequence. President Roosevelt then pointed out that the American public had assumed an extremely heavy burden of taxation in order to give necessary aid to Britain. If the American public came to feel that it was involved in a war merely for the benefit of Great Britain, great dissatisfaction would result. When President Roosevelt stressed that therefore a statement must be issued precisely

<sup>993</sup> *Ibid.*

<sup>994</sup> III, 732.

<sup>995</sup> III, 733.

<sup>996</sup> III, 734.

<sup>997</sup> III, 735.

because the European war was so serious a problem involving not only Great Britain but the entire world, Prime Minister Churchill agreed to adopt the Atlantic Charter.

As had been expected, the question of the distribution of territories caused friction between the allied European countries. Soviet Russia, in particular, had many questions to pose regarding this problem.

With regard to the problems in the Far East, the Japanese Embassy in London stated that Great Britain believed America's attitude toward Japan to be more lenient than its own, since the United States was continuing its informal conversations with Japan.<sup>998</sup>

### **392. Japanese Embassy Comments on Situations in Iran and Africa**

This same report from the Japanese Embassy in London commented on the situations in both Iran and Africa. With regard to its invasion of Iran, Great Britain realized the difficulty of preserving peace in neighboring countries if she resorted to conquest by force. Therefore, Great Britain hoped to carry out only a minor aggression in Iran and to attain its major objectives by negotiations with the Iranian government.

Although developments in Iran at first gave hope to these expectations, the British government faced the fact that the Russian troops showed no signs of stopping their advance into Iran from the north. Only after the Soviet forces had secured the northern end of the railroad and the area adjoining the Caucasus did they intend to cease operations. The British troops had already secured the oil fields in the southern part of the trans-Iran railroad, however, and since neither army had sent troops to Teheran, efforts were still underway for peaceful negotiations with the Iranian government.

Meanwhile, in Africa, the Vichy government was attempting to forestall a move for independence on the part of the French African colonies by putting General Huntziger in command of all African forces. Because of his great popularity, the Vichy government could not risk dismissing General Weygand; therefore, it had been necessary to make him second in command.

The British government had refrained from aiding the pending struggle for independence among the French African colonies since it was felt that once this independence was secured, Berlin would take advantage of the situation by sending German troops into Spain.<sup>999</sup>

### **393. British-Russian Advance Cuts Off German Escape**

By the first part of September 1941 the situation in Iran had become so critical that the German Legation burned its general documents and prepared to flee Teheran. Because of the rapidly advancing British and Russian troops, however, escape was cut off. The German nationals in Teheran were faced either with becoming captives of the Allies, or with taking cover and carrying on anti-British and anti-Russian activities until aid from the German army reached them. Whatever their choice, it was now obvious that once Iran capitulated, British-Russian occupation would leave the Caucasus open to Allied aid and German forces, fighting in Russia, would be placed in a precarious position.<sup>1000</sup>

### **394. Japanese Intelligence Discloses Possibility of German Attack on Turkey**

On September 5, 1941 the Japanese Embassy in London sent Tokyo reliable information concerning the possible occupation of Near-East territories by British, Soviet, and German troops. The Japanese Embassy disclosed that when the British and Russian governments had first demanded the expulsion of Germans from Iran, Turkey and Egypt had been sympathetic with the Iranian government. However, both Iran and Turkey asked that, in case Russia should

<sup>998</sup> *Ibid.*

<sup>999</sup> *Ibid.*

<sup>1000</sup> III, 736.

invade Iran, Britain then enter the country presumably to prevent Russian occupation of Teheran and possible outrages against the populace and king. If Great Britain should fail to make this move, the Turkish militarists, pro-German in their sentiments, would find it an excuse to collaborate with the Axis nations.

Although the German Ambassador to Turkey, Mr. Papen, had made no special demands on that government, his return to Berlin was considered an indication of a future German invasion of Turkey. On the other hand, Japanese intelligence reports pointed out that Germany recognized the difficulty of breaking through the plains of Anatolia and, rather than risk failure, the Berlin government might refrain from an attack at the present time.

Though Admiral Raeder had recently visited Bulgaria, a well-informed person disclosed that the purpose of his visit was to negotiate for the use of Bulgaria's harbors in the event of a war on the Black Sea. While an Italian squadron might be able to assist Germany by invading the Black Sea, Japanese intelligence reports pointed out that the Dardanelles Straits would still have to be controlled before this move could prove of any real value.<sup>1001</sup>

### **395. Disposition of British Fleet Affects German-French Peace Negotiations**

Information from the Japanese Embassy in London on September 5, 1941 also disclosed certain problems connected with the establishment of final peace negotiations between Vichy France and Germany. The disposition of the British fleet, threatening the German and Italian supply route to Libya, had been largely responsible for the resignation of Admiral La Rocque, Vichy's director of naval strategy, and the demotion of General Weygand. Because German and Italian ships feared attack by the British, a route to Libya through the harbor of Bizerte in French-held Tunis had been contemplated. Since General Weygand and Admiral La Rocque had opposed this move, there had been a shake-up in the French military and naval high command which had had a telling affect upon French politics.

Furthermore, Italy's claims on the French colonies in Africa, Corsica, Nice, and Savoy and the annexation of Alsace-Lorraine by Germany had such a bad affect upon French public opinion that Vichy could not afford to ratify peace negotiations with Germany at the present time.<sup>1002</sup>

### **396. Canadian Prime Minister Advocates American Aid to Britain**

On September 5, 1941 Tokyo also received information concerning a speech made by Canada's Prime Minister, Mr. MacKenzie King, at an informal dinner-party given by the Mayor of London.

Since his arrival in Great Britain, Prime Minister King had openly advocated all-out aid to Britain by the United States as a means of attaining a common objective. With the backing of Prime Minister Churchill, King made a speech emphasizing that a new world order, based on freedom, could only be achieved by complete British-American cooperation.

The attitude of other British leaders toward the European war was causing a political rift in Great Britain. Recently, Mr. Moore-Brabazon, the Minister of Aircraft Production, had openly declared that Great Britain could take advantage of the war-exhaustion of Germany and Russia to advance its own production of war materials. As a result of this statement, Mr. Tanner, the head of the Amalgamated Engineers' Union, had attacked Minister Moore-Brabazon at a meeting at which Air Minister Attlee and Economic Warfare Administrator Dalton were present. At the coming session of Parliament, careful attention was to be given to the problems which had arisen from the differing views of the two men.<sup>1003</sup>

<sup>1001</sup> III, 737.

<sup>1002</sup> *Ibid.*

<sup>1003</sup> *Ibid.*

### **397. Japan Fears British-Chinese Collaboration**

Since British relations with Far Eastern territories had a definite bearing on their attitude toward Japan, Tokyo watched with growing concern the obvious tendencies toward increased British-Chinese collaboration. Although both British and Chinese authorities were avoiding any definite statement concerning the extent of cooperation between their countries, and while no actual treaty was believed to exist, Mr. Tateki Horiuchi, in Shanghai, quoted a Reuters dispatch from Chungking in the early part of September 1941, which stated that British and Chinese military leaders constantly coordinated their activities.

A United Press news report quoted the British Naval Attaché to the United States as saying that if America entered the war, Britain would permit it to use Singapore. Furthermore, Ambassador Archibald Kerr had admitted that relations between England and China were closer than imagined by the world at large.<sup>1004</sup>

A little over a week later confirmation of British-Chinese military cooperation was found in a Japanese intelligence report. After investigating the distribution and quartering of troops around Lashio, a Japanese spy revealed that military conferences between the British and Chinese leaders had been held twice monthly since July, 1941. On September 6, 1941 Lashio was filled with Chinese soldiers, who were holding maneuvers with British troops.<sup>1005</sup>

By September 10, 1941 Chinese forces had been strengthened by 1000 men ready to move southwards from Lashio in trucks. Other detachments arriving from Kunming in the latter part of September 1941 were apparently to be stationed near Wanten and Shaho, where military barracks were under construction and underground ammunition dumps, invisible from the sky, were nearly completed.<sup>1006</sup>

Later in September 1941 another spy report disclosed that thousands of trucks carrying gasoline, arms, ammunition, cotton and miscellaneous equipment had been arriving at Yunan during August, and arms and ammunition had been sent to reinforce the Chinese at Fushan.<sup>1007</sup>

### **398. Britain Suppresses Japanese Propaganda in China**

In order to protect its interest in China, Great Britain found it necessary to suppress Japanese propaganda there. Disturbed by Japan's varied activities in China, the British authorities curtailed travel and placed restrictions on newspaper articles and radio talks. Furthermore, all mail from Chinese nationals in occupied territories was opened and censored, and all Chinese working with Japan were watched by the police. Members of the Chinese Communist party, who had been merely feigning anti-Japanese sentiments, found their activities suppressed by British officials.<sup>1008</sup>

In an attempt to counteract the effects of this British surveillance, Japanese authorities at Singapore suggested to Tokyo on September 9, 1941 that the National government of China establish a radio station to broadcast pro-Japanese propaganda, which would emphasize the futility of China's continuing its resistance to Japan. It would also stress that the present National government, established in the occupied areas of China, was actually the legitimate successor to the Nationalist party established by Mr. Sun Yat-sen.<sup>1009</sup>

### **399. Britain Seeks Chinese Translators**

British preparations for war in the Far East were reported by the Japanese, who stated that British authorities were making a survey of Englishmen in North China, Hongkong and Shang-

<sup>1004</sup> III, 738.

<sup>1005</sup> III, 739.

<sup>1006</sup> III, 740.

<sup>1007</sup> III, 741.

<sup>1008</sup> III, 742.

<sup>1009</sup> *Ibid.*

hai who understood the Chinese language and could work with the British forces in Burma. Reporting the results of Britain's search, Mr. Horiuchi informed Tokyo that by September 10, 1941 ten linguists had been appointed in Shanghai.<sup>1010</sup>

#### 400. Japan Seeks Funds to Operate Malayan Mines

Though the ties between Great Britain and China were being constantly strengthened by economic and military measures, relations between Great Britain and Japan were weakened by the same means, for the British freezing of funds was effective in upsetting Japan's economic stability.

Unless a direct payment could be made to Japanese who were operating mines in Malay, Foreign Minister Toyoda believed that negotiations would have to be begun with England for the appropriation of the funds necessary to keep these mines open. In order to be completely informed on the situation, Foreign Minister Toyoda, in the early part of September 1941, instructed his representative at Singapore to collect data on the number of Japanese employed in the mining industry, their monthly salaries in Shanghai dollars, the cost of maintaining the equipment to keep these mines in operation, and the amount of cash in possession of the mines.<sup>1011</sup>

#### 401. British Embassy Burns All Important Documents

A Japanese diplomat in Nanking reported to Tokyo on September 5, 1941 that the British Embassy, feeling the strain of existing relations with Japan, had apparently burned all important documents.<sup>1012</sup>

#### 402. The *Fuso Maru*, an Evacuation Ship, Schedules a Stop at Singapore

Since there seemed to be little hope remaining for the reestablishment of normal relations between the two countries, detailed plans were being made in September 1941 to evacuate British and Japanese subjects to London and Tokyo respectively. These plans became more significant as time passed.

Notifying Singapore on September 10, 1941 that The *Fuso Maru* was scheduled to arrive there late in September, 1941, Foreign Minister Toyoda suggested that arrangements be made to fill the 700 accommodations available for passage to Tokyo aboard this ship.<sup>1013</sup>

#### 403. Japan Intercedes with Britain for Germans in Iran

On September 8, 1941 Mr. Ichikawa in Teheran notified Tokyo that British and Russian forces had reached that city. Although there was still much discussion regarding the treatment of German nationals residing in Kazavin and other cities in Iran, the German authorities were opposed to being held as prisoners of the British. Therefore, German residents in Teheran were appealing to Persia to arrange their immediate transfer to Turkey. If this could not be done, the German authorities intended to retire to the Ministry compound.<sup>1014</sup>

Mr. Ichikawa called on the Iranian Foreign Minister to enlist his assistance in the transfer of German nationals to Turkey, but because of British pressure, the Iranian Foreign Minister was pessimistic regarding this plan. Mr. Ichikawa then visited British and Turkish authorities to obtain their help, and the American Minister in Iran agreed to speak to the British authorities there. However, at the present time, Mr. Ichikawa stated, there was great anxiety among the German residents over the prospect of being forced to return to the Ministry compound since they would have to remain there until the conclusion of the war.

<sup>1010</sup> III, 743.

<sup>1011</sup> III, 744.

<sup>1012</sup> III, 745.

<sup>1013</sup> III, 746.

<sup>1014</sup> III, 747.

Fighting was still going on in many areas of Iran, with the Russian army moving in the west to the Mashhad area and to the south of this territory.<sup>1015</sup>

#### 404. Canada Maintains Diplomatic Relations with Vichy

Mr. Yoshizawa, the Japanese representative in Ottawa, notified his government on September 8, 1941 that Prime Minister MacKenzie King had returned home by plane on the previous day. In keeping with the stand of the British government, Prime Minister MacKenzie King had stated at a press conference that Canada intended to maintain diplomatic relations with Vichy.<sup>1016</sup>

#### 405. Foreign Minister Toyoda Anticipates Anglo-Japanese Evacuation Agreement

According to a message transmitted to Teheran on September 10, 1941 Foreign Minister Toyoda expected that an Anglo-Japanese understanding on the evacuation facilities to be provided by both countries would be reached very shortly.

To expedite the evacuation of Japanese and British subjects, the two governments were expected not to withhold any necessary permits more than a fortnight from the time when they were submitted unless a suitable explanation was given. In the matter of traveling expenses, some standard method of settling problems that might arise would be arranged between the British Embassy in Tokyo and the Japanese Finance Ministry.<sup>1017</sup>

Not only was Great Britain to cooperate with Japanese leaving the United Kingdom, India, Burma or British colonial territory, but it was also to place no obstacle in the way of those wishing to leave British dominions or territories under either British or Allied occupation. In return, Tokyo gave assurance of the safe passage of British subjects from Japan, Manchukuo or occupied China.<sup>1018</sup>

#### 406. Hiye Maru Is Used in Japanese Evacuation

Leaving Kobe on September 22, 1941 the *Hiye Maru* was to pick up evacuees at Bombay, India, Bandarshapur on the Persian Gulf and Mombasa, Kenya, before returning to Yokohama. Because the schedule was not to be altered, Foreign Minister Toyoda, in a message to Teheran, Iran, on September 12, 1941, warned that all passengers should be ready to board when the ship docked, and that Iraq be informed immediately to ensure the evacuation of Japanese residents from Bagdad.

Since suitable accommodations for all were impossible to obtain, the Japanese Foreign Minister ordered that preference be given the sick, aged, women and small children.<sup>1019</sup>

#### 407. "Central China Post" Strike Remains Unsettled

While these evacuation negotiations were underway it was particularly important that no incident, no matter how insignificant, be allowed to upset the Japanese-British diplomatic situation. In July 1941 a strike had broken out in the office of the *Central China Post*, an English language newspaper published in Hankow. The British Ambassador in Chungking, because he believed the strike had been instigated by the Japanese, the Municipal government, and the Nanking regime, demanded that immediate settlement be effected by Japanese authorities.<sup>1020</sup>

A message from Hankow on September 12, 1941 revealed that the incident was not yet closed. Settling in the office of the *Central China Post*, one group of strikers had refused to surrender,

<sup>1015</sup> III, 748.

<sup>1016</sup> III, 749.

<sup>1017</sup> III, 750.

<sup>1018</sup> *Ibid.*

<sup>1019</sup> III, 751.

<sup>1020</sup> III, 752.

whereupon the British Consul-General in Hankow filed a protest with the Japanese authorities there. However, since Japanese officials insisted that the movement was directed by Chinese attempting to impede the establishment of the New China and, consequently aiming to suppress the *Central China Post*, they said that any interference by Japan would be useless. They desired to let the strike run its natural course without intervention by local authorities.<sup>1021</sup>

#### 408. Japan Prohibits Unauthorized Newspaper Articles

To prevent further trouble with newspapers, the printing of any articles regarding the creation of the "National Policy Cooperation", with the exception of those authorized by the proper authorities, was prohibited in Shanghai.<sup>1022</sup> On September 13, 1941 Japanese authorities in Shanghai requested that similar action be taken at Hankow.<sup>1023</sup>

#### 409. Japan Denies Blockade of Hongkong Waters

In spite of strict precautions differences between the Japanese and the British arose over trade and shipping policies. On September 15, 1941 Japanese authorities in Canton, in answer to a British complaint, insisted that the Japanese blockading squadron had always respected Hongkong's territorial waters.<sup>1024</sup>

#### 410. British Authorities Seize Egyptian Steamer

A British seizure of an Egyptian steamer, *Star of Egypt*, carrying a cargo of cotton and glycerin, caused Tokyo to instruct its officials at Shanghai to investigate the reason for this action and to negotiate for the release of the vessel.<sup>1025</sup>

Japanese authorities in Shanghai reported to Tokyo that on one occasion Japan had refused the China Trading Company a permit to send fifteen tons of glycerin to Hongkong. Since Japan stood to profit in trade negotiations by granting such permits, it was suggested that they not be withheld in the future.<sup>1026</sup>

#### 411. British Seek to Check Germans in Black Sea Area

From an authentic intelligence report, the Japanese Embassy in London learned that British military authorities intended to extend the war with Germany into the Black Sea area since the German army had already planned to cross over into the Caucasus from the Bulgarian and Rumanian shores. In an effort to move its fleet into the Black Sea and forestall this German aggression, the British government was trying to persuade Turkey, Iran and Iraq of the danger of their position once German troops were in possession of the Caucasus. However, the Japanese intelligence report stated that Berlin realized the intentions of the British and therefore would delay any attack on Turkey. Nevertheless, the German army in Bulgaria was making preparations for invading the Caucasus.

The Japanese believed that Great Britain did not want to deal harshly with Persia since British troops were not scheduled originally to enter the city of Teheran. However, when the Russian government had declared its intentions to march on Teheran and dispossess the ruler, Great Britain had been placed in a difficult position.

From an American source, Japanese intelligence learned that assistance to Moscow would be included in the Lend-Lease law at some time in the future. In order to ensure British vic-

<sup>1021</sup> III, 753.

<sup>1022</sup> III, 754.

<sup>1023</sup> III, 755.

<sup>1024</sup> III, 756.

<sup>1025</sup> III, 757.

<sup>1026</sup> III, 758.

tory over Germany, the United States was determined to give Russia the maximum amount of assistance.<sup>1027</sup>

#### 412. Japan Requests Reciprocity in Evacuation Plans

Tokyo was concerned with the safe passage of the *Fusō Maru* due to arrive in Singapore late in September, 1941 although no agreement had been achieved by September 17, 1941, the Japanese expected the British to accord the *Fusō Maru* the same privileges which would be granted to the English ship *Anhui*. The Japanese government planned to extend every convenience to the *Anhui*, even to supplying it with fuel and water.<sup>1028</sup>

Since the *Fusō Maru* was preparing to transport Japanese nationals from British territory, Tokyo sent a report to Singapore stating the cost of passage aboard this ship. Japanese officials in Singapore were directed to collect the fares and pay all fuel, customs, and docking expenses.

Questions regarding the remittance of funds by the evacuees and the issuance of departure and exchange permits were to be settled by the British Ambassador and the Japanese Minister of Finance. Furthermore, both Japanese and British customs officials were to begin checking baggage three days before the ship's entry into port in order to reduce any delay in disembarking.<sup>1029</sup>

#### 413. British Request License to Export Glycerin

On September 18, 1941 the British Commercial Attaché in Tokyo notified the Chief of the Japanese Trade Bureau that Ambassador Craigie, upon instructions from London, had asked the Governor-General in Singapore to release cotton and machinery which the British had confiscated there, in return for a license to export glycerin from Japanese-held Shanghai. It was not revealed to Ambassador Craigie at this time that officials in Singapore had previously agreed to turn over the material without any conditions and that licenses for the export of glycerin to the British had already been issued at Shanghai.<sup>1030</sup>

Later the same day Tokyo informed Japanese officials in Shanghai that the British Consul-General had been directed to ask them for the license, which Tokyo directed should be issued immediately.<sup>1031</sup>

Tokyo suggested to Singapore that the cotton and machinery, which the British were expected to release in return for this license, be loaded onto the *Fusō Maru*.<sup>1032</sup>

#### 414. Japanese Face Financial Difficulties in Canada

On September 24, 1941, Mr. Kawasaki in Vancouver sent a plea to Tokyo requesting amelioration of the situation which had resulted in Canada from the British order freezing Japanese funds. Not only had officials been unable to arrange passage home for Japanese subjects residing in Canada but since the sending of money to and from Japan was also curtailed, families in Tokyo dependent upon relatives in Canada, and Japanese students in need of remittance from their home in Japan, were in financial straits.<sup>1033</sup>

#### 415. Tokyo Protests Against Canadian Censorship

Ambassador Yoshizawa in Ottawa, acting under orders from Tokyo, officially protested to the Canadian government against its prohibition of all code and clear text telegrams between

<sup>1027</sup> III, 759.

<sup>1028</sup> III, 760.

<sup>1029</sup> III, 761.

<sup>1030</sup> III, 762.

<sup>1031</sup> III, 762.

<sup>1032</sup> III, 762.

<sup>1033</sup> III, 764.

the Canadian and American consulate offices which were not marked "Japanese Consul". Although Mr. Yoshizawa explained the difficulty in transmitting all Japanese messages through the Embassy network, Canadian officials firmly refused to rescind their previous order. In his report to Tokyo on September 24, 1941 the Japanese Ambassador expressed the opinion that Canada was particularly anxious to prevent the exchange of code messages between Vancouver and San Francisco.<sup>1034</sup>

#### 416. British Authorities Delay Loading of *Fuso Maru*

On September 25, 1941 Tokyo was informed by the Japanese Consul-General in Singapore that the ship *Fuso Maru* was being delayed in that port by cargo loading problems. Basing their refusal on the fact that the *Fuso Maru* did not have enough cargo space to load all the cotton and machinery, local authorities in Singapore had withheld the necessary export permit. However, a discussion between the director of the Japanese Commercial Affairs Bureau and the British Commercial Counselor revealed that the delay in issuing this permit had been caused by a previous refusal of the Japanese maritime customs to allow a China soap company in Shanghai to export glycerin.

Attempting to offset further delay in loading the *Fuso Maru*, the Japanese Consul-General agreed to permit the Chinese firm to export fifty tons of the glycerin contracted for, and at the same time to secure a guarantee regarding the remaining seventy tons. In return, arrangements were to be made whereby the British Consul-General and the British Governor General in Singapore would be informed by their Ambassador in Tokyo that permission to load the *Fuso Maru* had been granted. Furthermore, a second Japanese ship was to take part of the Maru's cotton cargo.<sup>1035</sup>

Despite these arrangements, on September 27, 1941 the *Fuso Maru* was still in port. Though Tokyo accused Singapore authorities of scheming to delay the sailing of this vessel,<sup>1036</sup> Foreign Minister Toyoda told Mr. Riyōji in Singapore that there was no objection to delaying the departure of the *Fuso Maru*, and that all arrangements should be made to have it remain at anchor until the loading schedule was completed. The loading was to continue as planned, but no freight charges were to be paid at Singapore, since this matter would still have to be taken up with the British Embassy. Furthermore, Consul-General Horiuchi in Shanghai was instructed to proceed with issuance of the permit for the export of glycerin desired by the British.<sup>1037</sup>

As a result Foreign Minister Toyoda informed Singapore on September 30, 1941 that Ambassador Craigie in Tokyo had sent a message regarding the cargo of the *Fuso Maru* directly to the Governor General in that city.<sup>1038</sup> A few days later on October 2, 1941 Tokyo informed Shanghai that it was believed the British Consul-General in Shanghai had sent a telegram to the British Governor-General. Therefore, it was requested that the sailing of the *Fuso Maru* be further postponed to await the outcome of these latest developments.<sup>1039</sup>

Although the Japanese believed that the British Consul-General in Shanghai must have received Ambassador Craigie's telegram, no answer had been received by them on October 2, 1941. Consequently, finding it impossible to come to any agreement regarding permission for loading cotton and machinery, the Japanese ordered the *Fuso Maru* to sail. In one last attempt, however, Tokyo ordered its officials in Shanghai to remind the British Consul-General of his request for a glycerin permit.<sup>1040</sup>

<sup>1034</sup> III, 765.

<sup>1035</sup> III, 766.

<sup>1036</sup> III, 767.

<sup>1037</sup> III, 768.

<sup>1038</sup> III, 769.

<sup>1039</sup> III, 770.

<sup>1040</sup> III, 771.

#### **417. Mr. Horiuchi and British Official Confer on Export Difficulties**

On October 3, 1941 Consul Horiuchi, the Japanese representative in Shanghai, meeting with the British Consul-General, learned that the British official, since he had not received an export permit, did not regard the Japanese Consul's note as sufficient guarantee that the export of glycerin would be granted. Consul-General Horiuchi replied that he did not have the authority to interfere directly with the maritime custom's formal issuance of export permits, but, at the same time, he was certain that Japan would not hinder the shipment of 120 tons of glycerin. As proof of this statement, Consul Horiuchi pointed out that permits for 50 tons had already been granted on October 3, 1941 and a permit for 10 tons on the following day.

Although the Japanese believed these agreements had effected a satisfactory solution to the trade problem, England also desired permission for the safe passage of British naval tugs and motor launches bound for both the Suez and Singapore, insisting that this was relative to the original question. Since Shanghai reported on October 4, 1941 that this last request was handled through the Customs Investigation Committee and was just recently given to the British, Mr. Horiuchi accused British authorities of deliberately creating a delay in the negotiations.

Willing to continue attempts at compromise regarding trade, Consul-General Horiuchi in another conference with the British Consul-General insisted that not only would ships carrying glycerin be allowed to leave port safely but that permits for the British tug boats would also be issued. However, he warned that Japan would retaliate if the restrictions obstructing Japanese shipping continued.<sup>1041</sup>

#### **418. Britain Issues Warning to Finland**

The Japanese Minister in Helsinki notified Foreign Minister ----- on September 30, 1941 that the British government, through the Norwegian Minister in Helsinki, had issued a warning to Finland on September 24, 1941 regarding its war with Russia. Unless Finland agreed to settle its border question with Russia, London would regard Finland as a belligerent and hostile nation.

In an effort to determine Finland's reply to Great Britain's demands, the Japanese Minister in Helsinki called on the Finnish Foreign Minister on September 25, 1941. From the Conversation the Japanese Minister drew the conclusion that Finland would find it impossible to make definite promises to Great Britain's demands. The Japanese Minister in Helsinki questioned the Finnish Foreign Minister on the reasons surrounding Britain's presentation of its demands to Finland through the Norwegian Minister instead of through the American Minister. The Finnish Foreign Minister could not answer this question. However, he offered the theory that the United States might possibly have refused to submit Britain's demands to Finland.<sup>1042</sup>

#### **419. Britain Prohibits Code Telegrams in Iran**

By September 30, 1941, Mr. Ichikawa in Teheran reported to Tokyo that British domination of Iran was so complete that they were able to carry out an order prohibiting the sending and receiving of code telegrams. Apparently this edict included the French Legation as well as the German Legation.<sup>1043</sup>

#### **420. Japan Threatens to Rescind Glycerin Permit**

After receiving Mr. Horiuchi's version of his conference with the British Consul-General in Shanghai, Tokyo wired Shanghai on October 6, 1941 asking why the British official had not then already wired the English Governor General in Singapore and Ambassador Craigie in Tokyo

<sup>1041</sup> III, 772.

<sup>1042</sup> III, 773.

<sup>1043</sup> III, 774.

admitting that Japan had issued export permits for the glycerin. Tokyo made it clear in this message that though permits for the two shipments of fifty and seventy tons of glycerin had been granted, actually neither of these shipments would be exported until Japan received guarantees from the British that the raw cotton and machinery could be loaded.<sup>1044</sup>

#### 421. Shanghai Suggests Retaliation Against British

Apparently British and Japanese representatives had reached a satisfactory understanding in Tokyo regarding these differences. Yet Shanghai officials reported on October 6, 1941 that they had been unable to put such an agreement into effect because of the attitude of the British Consul-General. Therefore it was believed that appropriate counter-measures should be taken by the Japanese.

While cutting off all future export permits to the British would undoubtedly be effective, Shanghai realized that it would also result in a complete rupture of business relations between the two countries. As an alternate measure then, Japanese officials suggested that demands be made of the British Consul-General in Shanghai, for a guarantee that no obstacles would further delay the loading of cotton aboard Japanese ships at Singapore.<sup>1045</sup>

The following day October 7, 1941 Shanghai passed on to Singapore the information that the British Consul-General had apparently sent the necessary requisite telegram. But, since nothing more had come of it, the British having as yet failed to release the goods confiscated in Singapore, Shanghai suggested that Japan should, in retaliation, revoke the glycerin export permit issued by the customs inspector, or, if necessary call on the Japanese navy or gendarmerie to stop actual exportation of the glycerin. Nevertheless Mr. Horiuchi hesitated to take these steps since at the conference on October 4, 1941 he had definitely assured the British Consul-General no obstacles would be placed in the way of the export of glycerin.<sup>1046</sup>

In consideration of these circumstances Tokyo agreed on October 8, 1941 that, instead of forbidding the glycerin export, the British Consul-General in Shanghai should wire both the Singapore Governor-General and Ambassador Craigie that Japan was permitting the shipment of 50 and 70 tons of glycerin respectively. In return Britain was expected to accord certain facilities to the Japanese ships taking the cargo of raw cotton and machinery aboard.<sup>1047</sup>

When Shanghai officials inquired about the telegrams on October 9, 1941, the British Consul General stated that they had been sent on October 6, 1941 to Ambassador Craigie and the Singapore Governor-General. But since Mr. Horiuchi wished to transmit them, the British official promised to turn over the text of the telegram to the Japanese Consul-General.<sup>1048</sup>

On October 13, 1941 Tokyo requested the complete text of the British Consul-General's official communication to Ambassador Craigie and to the British official in Singapore.<sup>1049</sup>

#### 422. Churchill Reports on British Position in Russo-German War

On October 2, 1941, the Japanese Ambassador in London informed the Embassy in Washington of Churchill's report made before Parliament on September 30, 1941 concerning the British part in the Russo-German war. Since the outbreak of war between Germany and Russia, Prime Minister Churchill warned, there had been an increased feeling of optimism on the part of the British government and people. However, while Germany's preoccupation with Russia was allowing Great Britain time to deliberate upon its own situation and build up its own resistance, Prime Minister Churchill stated, Great Britain must not relax its war efforts.

<sup>1044</sup> III, 775.

<sup>1045</sup> III, 776.

<sup>1046</sup> III, 777.

<sup>1047</sup> III, 778.

<sup>1048</sup> III, 779.

<sup>1049</sup> III, 780.

Russian resistance to German forces had been greater than at first expected. Even though Leningrad might possibly fall, there was the hope that Moscow and the Caucasus would hold out through the winter and that Germany's occupation of the Ukraine could be stopped.

With Germany's attention drawn to its eastern flank, shipping on the Atlantic during the past three months had become safer. Therefore, aid from the United States was able to reach Great Britain. Furthermore, Britain's coastal defenses and the disposition of its home troops had been improved to such an extent that even though Germany might start additional invasion attempts, the British government was confident that they could be repelled.<sup>1050</sup>

However, the British authorities claimed that Germany, once it had defeated Soviet Russia, would not be interested in the invasion of the British Isles but instead would continue moving toward the Near East. For this reason Great Britain desired to enlist the aid of Turkey and to consolidate its position in Syria, Iraq and Iran. Not wishing to put too much economic pressure on Turkey, the British Isles had resorted to dispatching divisions of troops to that territory amounting to approximately 750,000 men. In this way Great Britain evidently hoped to impress Turkey with the number of troops it would be able to maintain behind the line of battle.

In preparation for a possible engagement with the German forces in this area, General Wavell had made a recent trip to London besides holding conferences in Baghdad and Teheran. The preparations for a defensive warfare in that area were carried to such an extent that General Wavell was lining up British forces from the Far East and India for joint British-Soviet action in the Caucasus area and possibly within the borders of Russia itself.<sup>1051</sup>

In order to carry on this concerted warfare against Germany, however, Russia required continued aid from Great Britain. Because of the number of German troops and planes lost in the war with Russia Prime Minister Churchill believed that Great Britain was now on an equal footing with its enemy. In comparison with 1940, particularly the period following the evacuation of Dunkirk, Great Britain now possessed eighty divisions of armed forces of which thirty-seven were armored divisions. Recently Great Britain had even been able to carry on daily and nightly bombing attacks over Germany. Great Britain expressed great admiration for the occupied countries of Europe and put strong confidence in their ability to aid England in bringing about ultimate victory.

Japanese intelligence sources reported that Churchill's dynamic political leadership was holding the British government together and enabling it to carry on a unified projection of the war against Germany. With regard to the British attitude toward Japan, it could be seen both from newspaper accounts and general public opinion that Great Britain was dissatisfied with the trend of the present Japanese-American conversations and had little hope for reaching any rapprochement with the Japanese government. Although the British government had been making some attempts to turn the tide of anti-Japanese feeling in order to watch for the outcome of the Japanese-American conversations, it refused to negotiate with Japan even on minor points of the freezing legislation. In fact, England refused to take any direct steps toward improving relations with Japan.<sup>1052</sup>

#### 423. Premier Gailani in Political Exile in Iraq

On October 6, 1941 Rome received the information that former Premier Gailani had been held in political exile in Iraq since the last part of July. Since the Turkish government had assured him that it would overlook his leaving the country, Premier Gailani hoped to return to Rome by way of Baghdad with the assistance of the German government.

In reporting on the conditions in Iraq, Premier Gailani stated that the country's political stability would be very hard to maintain in the future. The politicians who would eventually

<sup>1050</sup> III, 781.

<sup>1051</sup> III, 782.

<sup>1052</sup> III, 783.

return to Iraq through Germany's assistance would not be in an enviable position, Premier Gailani stated.

In commenting on the British strength in the Near East, Premier Gailani insisted that in spite of the gross exaggeration of the British propagandists of the forces in Syria, Iraq and Iran, there were not more than a total of fourteen divisions in these countries. Furthermore, Premier Gailani did not believe that General Wavell's forces were in any position to defend the Caucasus.<sup>1053</sup>

#### **424. Japan Navy Uses Chungking Currency for Secret Purchase**

In the meantime, while settlements of trade negotiations were pending, Japan continued to obtain necessary materials by various devices. A dispatch from Tokyo to Shanghai on October 9, 1941 revealed the Japanese navy making purchases secretly by using Chungking currency. In order to prevent any disclosure of this activity Tokyo warned that complete contact be maintained with the Foreign Office. Any sudden fluctuations in market prices as a result of these purchases were to be avoided so that investigations would not occur.<sup>1054</sup>

#### **425. British and Japanese Authorities Disagree on Shanghai Customs Officials**

At the same time that negotiations were underway to remove export differences in Shanghai, the friction between the British and Japanese officials here was increased by a dispute over the appointment of customs officials in Shanghai. In September, 1941, Mr. Hirokichi Kishimoto, the chief secretary of the Inspector General of Chinese Maritime Customs in Shanghai, had informed Sir Frederick W. Maze, the British Inspector-General of Shanghai customs, that certain changes would have to be effected regarding trade conditions, before Japan would pay its customs expenses dating back as far as June 1941.

During the discussions held for the purpose of settling British-Japanese customs problems, Tokyo proposed against United States opposition that a Japanese official be appointed to head the customs in Shanghai. Then, in a visit with Mr. Horiuchi, Sir Frederick W. Maze suggested that someone from a neutral country officiate over the customs, at least for the time being. The Japanese official refused to agree to such a proposition but then urged that Sir Maze take the responsibility of deciding the matter himself.<sup>1055</sup>

From a dispatch to Tsingtao, on October 14, 1941, it appeared that a suggestion had been offered whereby Japanese customs inspectors would send in reports on the character and standing of the present customs officials. But, Nanking doubted the wisdom of such a move, fearing that it might lead to chaos in the southern China customs. However if the existing policy, under which both the Peoples' Government and the Japanese army sent reports concerning the effectiveness of customs measures to Shanghai, proved unsuccessful, it seemed evident that the Japanese would take over complete control of the Shanghai customs.<sup>1056</sup>

By October 15, 1941, Mr. Horiuchi appeared hopeful that the protests already submitted by the American Ambassador in Tokyo would be retracted because of the present Japanese-American negotiations. It was felt, therefore, that this was the opportune moment to press Japan's demands in Shanghai. In so doing Japanese officials were to emphasize that Japan was anxious to comply with the needs of the present situation with regard to the Chinese customs in Shanghai, and to remove any causes for the friction which had been evident in the past.<sup>1057</sup>

<sup>1053</sup> III, 784-785.

<sup>1054</sup> III, 786.

<sup>1055</sup> III, 787.

<sup>1056</sup> III, 788.

<sup>1057</sup> III, 789.

#### **426. Japan Attempts to Adjust Its Currency**

As equally important as the curtailing of Japanese trade and commerce was the effect of the British freezing order on Japanese currency. Since Japanese assets abroad were frozen, a permit was even required to import a one yen bill into Japan. Therefore Japanese subjects being evacuated from Singapore were ordered by Tokyo, in late September, 1941, to change all their funds into remittance drafts. Meanwhile, the Finance Minister was checking every possible means of getting currency through into Japan.<sup>1058</sup>

With regard to trade, Singapore was also notified in October, 1941 that in those transactions concerning the liquidation of accounts between Japan and Great Britain exchange drafts were to be substituted for yen notes.<sup>1059</sup>

Application had been made by Singapore for current expenditures,<sup>1060</sup> with the result that on October 8, 1941 Foreign Minister Toyoda in a secret dispatch announced that approximately 600,000 yen would be sent from Tokyo, exclusive of travel expenses.<sup>1061</sup> Furthermore, it was intimated that Singapore was, by its own methods, securing secret funds with the approval of the Japanese government.<sup>1062</sup>

#### **427. Japan Curtails Allied Propaganda**

While Great Britain was imposing restrictive measures on Japan, Tokyo, in turn, was effecting certain methods of retaliation. Although apparently rendering equal treatment to all belligerent countries, Tokyo revealed in a message to London on October 4, 1941 that its Bureau of Information gave only the Axis powers ample facilities for the dissemination of propaganda.<sup>1063</sup>

#### **428. Japanese Official to be Recalled from Singapore**

Moreover in view of the situation existing in Singapore, Tokyo was withholding the official recall of a Japanese official in that city. But he expected to return to Tokyo sometime after October 9, 1941.<sup>1064</sup>

#### **429. Japan Fears British Strength in Far East**

By comparing the situation existing on October 13, 1941 with that of February 1941 Tokyo in a message to Hsingking revealed certain outstanding changes in Far Eastern conditions.<sup>1065</sup> First of all because the British government had come to regard Japan as an enemy nation, increasing economic pressure had been applied, with the result that Japanese interests in mining and other business enterprises had been practically destroyed. More recently the freezing order issued by the United States subsequent to Japan's occupation of French Indo-China had halted southward expansion.<sup>1066</sup>

As economic measures weakened Japanese strength, Great Britain seized every opportunity to build up its own economic and military holds on the East. Singapore by October 9, 1941 had already given Tokyo a full report of the activities there. During the last part of November, 1941, Sir Robert Brooke-Popham had become Commander-in-chief of the army, navy and air forces east of India. Later as the German-Soviet war and United States aid created a more favorable situation in Europe for the allies, England set up a defense base in the East using

<sup>1058</sup> III, 790.

<sup>1059</sup> III, 791.

<sup>1060</sup> III, 792.

<sup>1061</sup> III, 793.

<sup>1062</sup> III, 792.

<sup>1063</sup> III, 794.

<sup>1064</sup> III, 795.

<sup>1065</sup> III, 796.

<sup>1066</sup> *Ibid.*

Singapore as the focal point. Australian troops and modern airplanes were being sent. Branches of the Ministry of Economic War and Propaganda were established in Singapore, while health corps and transportation groups were organized from the British resident in the city, to serve behind the lines in the event of war. Yet, though British defense measures appeared to be approaching fulfillment, the available sea power in that area was still inadequate and provided the British with a source of constant concern.<sup>1067</sup>

However, with the arrival of Sir Alfred Duff-Cooper in October 1941 it was expected that the British defense organization would coordinate its activities.<sup>1068</sup> Since he was accompanied by a large staff, including Colonel Edmund Leo Hall-Patch, Sir David John Montague Douglas, Scott, Chambers, and Lieutenant Commander Neville, the British official's mission seemed to be associated with the administration of foreign affairs in the Far East. In a conference with United States and British officials including Major General Francis Stewart Gilderoy Piggott, British Military Attaché in Tokyo, and Mr. Becker, a lawyer, the effectiveness of allied propaganda upon the Japanese and the Nanking governments was to be discussed with the aim of divorcing Japan from the Axis powers.<sup>1069</sup>

#### **430. Japan Exchanges Merchandise with Spain**

Toward the end of October as the need for maintaining the proper balance of trade became acute, Japan extended the use of barter in its transactions, to Spain and Portugal. On October 15, 1941 Tokyo informed London that arrangement had been made for using the *Asama Maru* in the barter exchange of Japanese merchandise for Spanish quicksilver. Although the business transactions with both Spain and Portugal were concluded primarily between the Mitsui Trading Company and the Spanish Department of Commerce, since they concerned neutral countries within the British sphere of influence, the plans dealing with the transportation of this cargo by the *Asama Maru* were communicated to the British Ambassador Craigie in Tokyo.<sup>1070</sup>

#### **431. Tokyo Arranges Disposal of Japanese Bonds**

Next, in order to dispose of those Japanese bonds backed by foreign money and owned by Japanese residents in England, the Japanese Finance Ministry ordered that a list be drawn up and approved to facilitate either the redeeming or cancellation of those bonds. To deal with those bonds which were not disposed of in this manner Tokyo ordered its Embassy in England on October 16, 1941 to have the London Branch of the Yokohama Specie Bank cancel them. For the cancellation of other bonds in the future, Tokyo further suggested that a list be drawn up regarding the bonds on hand, that it be checked, and finally that one copy be submitted to the Finance Ministry in Japan.<sup>1071</sup>

<sup>1067</sup> *Ibid.*

<sup>1068</sup> III, 797.

<sup>1069</sup> *Ibid.*

<sup>1070</sup> III, 798.

<sup>1071</sup> III, 799.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(g) *Japanese-German Relations***432. Hitler Stops German-Vichy Conversations**

In a wire to Ambassador Oshima dated August 6, 1941 Foreign Minister Toyoda attempted to clarify rumors resulting from statements made by Ambassador Fernand de Brinon in Paris the previous day. The Foreign Minister relayed remarks accredited to Ambassador Brinon by the Spanish ambassador to Japan who had had confidential conversations with Mr. Brinon.

Germany, in exchange for granting Tripoli to France, had demanded the leasing of the Bizerte harbor, according to the reported remarks of the French Ambassador. France refused to grant them. In conversations between Chancellor Adolf Hitler and Vice-Premier Jean Francois Darlan conducted at Berchtesgaaden as a prelude to a separate German-French peace, Hitler had shown disappointment and had ordered Ambassador Otto Heinrich Abetz in Paris to discontinue conversations with the Vichy government.<sup>1072</sup>

A meeting between Hitler and Vice-Premier Darlan had occurred on May 11, 1941, at which time Hitler declared that the time had come for France and Germany to draw more closely together. As a token of his good will, the Fuehrer offered, in exchange for certain concessions, the repatriation of 100,000 French war prisoners, officers and noncoms, who had also served in World War I.

In deference to French military pride, Hitler offered Darlan the right to organize a skeleton air force; in deference to prostrate French finances, he agreed to review the arrangement whereby Vichy paid \$8,000,000 a day for the upkeep of the army of occupation. In practice, Hitler did send home the veteran prisoners; a few French army planes were reconditioned and placed in service, but the sum extracted for the army in France remained unchanged. For his part Hitler demanded access to military supplies in the colonies, assistance to Nazi bases, and employment of the fleet by the French for convoying food ships and other patrol duties. The last condition was, of course, designed to bring the French Fleet into conflict with the British. The Nazi demands, it will be seen, corresponded closely to, and exceeded somewhat, those accepted by Pierre Laval at Montoire. Should the Vichy government refuse these reasonable terms, Vice-Premier Darlan was warned, Hitler could not answer for the consequences.<sup>1073</sup>

**433. Foreign Minister Toyoda Reviews Japan's Policies**

After a conference with the military leaders of Japan, Foreign Minister Teijiro Toyoda on July 31, 1941 dispatched the Imperial government's policy regarding the Russo-German war to the Japanese Ambassadors in Berlin, Rome, and Washington. The broad outlines of Japan's future policy were decided in a Cabinet meeting on July 2, the Foreign Minister wired, and every effort was now being expended to bring about its materialization.<sup>1074</sup>

Despite the fact that German diplomatic officials in Tokyo understood Japan's position, the Nazi government had not been sufficiently informed, Foreign Minister Toyoda continued. After having devoted the greater part of its energies for four years to bring a conclusion to the China incident, Japan found itself with large forces still fighting on the China mainland and new difficulties arising in the north and south. Commercial and economic relations between Japan and third countries, led by the United States and England, had become so strained that Japan was forced to secure the raw materials from the South Seas. This situation had resulted

<sup>1072</sup> III, 800.

<sup>1073</sup> "How War Came," by Forrest Davis and Ernst K. Lindley, Simon and Schuster, New York, 1942; pp. 222-223.

<sup>1074</sup> III, 801.

in the decision to obtain military bases in French Indo-China. Meanwhile the Russo-German war offered an opportunity to settle the northern question after preparations had been completed.

The Foreign Minister pointed out that Japanese advances to the south obviously had given England, Russia, and the United States a set-back in the Pacific, thus helping Germany.

German annoyance at Japan's negotiations with the United States was realized in the Home Office; however, two of the primary objectives of Japan were to prevent the United States from entering the war "at any cost" and to settle the Chinese incident. Having assumed that there was complete trust between Germany and Japan, Foreign Minister Toyoda said that the discussions with the United States were begun at a time which seemed opportune to Japan. He referred to the fact that Germany initiated the war with the Soviet Union at an undesirable moment for Japan.

Pointing to the promulgation of an Imperial rescript as proof of Japan's determination to effect the success of the objectives of the Tripartite Pact, Foreign Minister Toyoda reiterated that each country must have a certain flexibility in its conduct if these aims were to be accomplished. He explained that real cooperation did not necessarily mean complete symmetry of action but rather a trust in each other, thereby enabling both Japan and Germany to strive toward the common goal, each using its own discretion within the bounds of good judgment.<sup>1075</sup>

#### 434. Ambassador Oshima Correlates German-Russian Battle Reports

Rumors that the German army was not succeeding in its drive against Russia prompted Ambassador Hiroshi Oshima on August 6, 1941 to correlate public statements from both belligerents in an attempt to clarify the situation. From these reports he surmised that Russian forces had been irreparably damaged with casualties mounting to 3,500,000. Transfers of troops from Siberia and other sections of the U.S.S.R. to revitalize the Red Army were deemed ineffective.

Only Russia's southern Ukrainian forces retained any degree of striking power, according to Ambassador Oshima; Germany was now attacking in this sector as well as cleaning up the area south of Kiev. He commended the excellent strategy of the German army in cautiously encircling the stubborn Soviet troops with minimum losses.<sup>1076</sup>

#### 435. The Foreign Minister Explains That Communication Difficulties Impede the Expression of Tokyo's War Aims

Recently-appointed Foreign Minister Admiral Teijiro Toyoda replied on August 7, 1941 to Ambassador Oshima's request for clarification of Japanese policy particularly in regard to the Russo-German conflict.<sup>1077</sup> He pointed out that the Foreign Office in Tokyo was experiencing unusual communications difficulties in disseminating European and American intelligence. Therefore, the Home Office was finding it increasingly burdensome to keep its field units informed of the national policy at all times.

The Foreign Minister attempted to convey the beliefs of his office regarding future German plans. He acknowledged the possibilities of a German invasion of England and recognized the fact that, although the Axis seemed bent on an early termination of the war, Germany was preparing for a prolonged conflict. In the light of current British defense preparations and morale, the eventuality of a long war seemed probable.

Concerning the Russo-German war, the Japanese Foreign Office expressed the belief that the Russian people were convinced that Germany was waging a racial war against them. In view of the Russians' deep rooted communistic conviction and traditional affinity for the soil, they

<sup>1075</sup> III, 802-804.

<sup>1076</sup> III, 805.

<sup>1077</sup> II, 600.

would meet the invading armies with unyielding resistance. Japan could not overlook the difficulties of administering such territories when conquered, territories vast in their geography, intense and severe in their climate, and poorly supplied with transportation facilities.

In addition, with the German army progressing at its present slow pace, Tokyo also realized that Commissar Joseph Stalin would be able to retreat to the Ural Mountains, thereby temporarily frustrating the German plan to bring chaos to the Red Regime. Therefore, according to Tokyo, unless the German army were to exhibit a more "blitzlike" advance, the Stalin power would continue to be a dominating influence in the Far East and a menace to Japan.<sup>1078</sup>

#### **436. Ambassador Oshima Again Urges Active Support of Tripartite Pact**

Ambassador Oshima on August 9, 1941 directed a dispatch to the Foreign Minister, reiterating his former pleas for active support for the Tripartite Pact. He explained that despite Tokyo's numerous statements advising Germany that the Japanese were conducting their policies in accord with the aims and spirit of the Pact, unless the plans, by which this support was to materialize were forcefully executed in the near future, Japan might give an impression of disinterest. The full fruits of cooperation would not be garnered through individual efforts. Stressing that it was not his intention that Japan should court Germany and Italy, he continued that they should cooperate with a view toward future benefits for the Empire.<sup>1079</sup> Ambassador Oshima explained that Hitler had already offered his support to Japan should a clash occur between that country and the United States.<sup>1080</sup>

#### **437. Ambassador Oshima Reveals German Organization for the Occupation of Russia**

On the same day Ambassador Oshima acknowledged that Germany had not devised a course of action beyond the annihilation of the Russian field forces. Germany, however, had set up a governing organization under the head of Dr. Alfred Rosenberg to administer the conquered territories. The proposed policy of destroying Communism at its source coincided unalterably with the intention of the Japanese government, Ambassador Oshima pointed out; and it was only fair, in fact essential, that Japan now cooperate closely and unconditionally with the Axis to insure harmony in the future. As soon as the Japanese Empire had determined its aims and policies, Ambassador Oshima suggested that Japan and Germany negotiate for the settlement of jurisdictional disputes which might arise upon the partitioning of Russian territory.<sup>1081</sup>

Ambassador Oshima had previously revealed that Germany planned to take direct control of affairs in conquered Russia for a ten-year period after the occupation, occupying all the area up to the Ural Mountains. Dr. Rosenberg, German-appointed Minister of State for the occupied territory, would establish his office in Moscow.

According to Germany's postwar plan the three Baltic countries and a part of White Russia were to be united to form a Baltic district, and an enlarged Ukraine and the Caucasus would form two other political areas. Finland would receive the Kola peninsula and the Karelian area, while Rumania would recover Bessarabia and Bukovinia. Hungary would receive a small area in exchange for the cession of a portion to Slovakia. No change in the former German policy toward Poland was expected.<sup>1082</sup>

#### **438. Rumors of Japanese Representations to U.S.S.R. Reach Germany**

A few days later the German Minister at Hsinking was reportedly under the impression that Japan had made representations to the Soviet Union. Although it appeared that Japanese

<sup>1078</sup> III, 806.

<sup>1079</sup> III, 807.

<sup>1080</sup> III, 808.

<sup>1081</sup> III, 809.

<sup>1082</sup> III, 810.

Home Affairs Department had revealed such information to the *Nichi-Nichi* main office, but had killed the story immediately, the German official still had had time to intercept it.

#### 439. Ambassador Oshima's Resignation Is Refused

Despite Ambassador Oshima's persistent requests to return to Japan, the Home Office insisted that he remain in Berlin. In a secret dispatch on August 12, 1941 Foreign Minister Toyoda reemphasized the fact that although the Ambassador's point of view was understood, his presence in Berlin remained a necessity.<sup>1084</sup>

#### 440. The German Army Progresses Against Russia

Ambassador Heinrich D. Stahmer informed the Japanese Ambassador that the German army by August 14 had completely encircled Leningrad and had occupied the northeast area. In the south, Odessa had been invested. The Dnepropetrovsk power plant, largest in Soviet Russia, was to be the next objective of the advancing forces. Ambassador Stahmer divulged the encouraging information to Ambassador Oshima that German losses in the six weeks of war had been unbelievably small with a total dead of only 30,000. Since the Japanese Ambassador had recently concluded a tour of the battlefield, he was convinced that these figures were reasonably accurate.

Russian and British air attacks on Berlin, Ambassador Stahmer declared, were attempting to prove that Germany did not have aerial supremacy. This was only a political move, unrelated to actual conditions. He cautioned Japan to be wary of Russian-British propaganda.<sup>1085</sup>

#### 441. Germany Advises Evacuation of Consular Officials From Occupied Territories

On instruction from the German government all Consular officials in the occupied areas of France, Belgium, Holland, Luxemburg, and Norway were to close their offices by Steptember 1, 1941 and to evacuate the areas. Ambassador Oshima notified the Home Office on August 12 that Minister Paul Schmidt, German Chief of Protocol, had confided to him that this order was not to be applied to Japan.<sup>1086</sup>

On August 16, 1941 Ambassador Oshima reported to Tokyo that he had recently dispatched Consul Shigero Imai to Brussels to bring the Imperial portraits, then in possession of the Antwerp Consulate, to the Berlin office.<sup>1087</sup>

Further arrangements were made on August 23, 1941 for the evacuation of Japanese officials from occupied areas.<sup>1088</sup>

That Japan had instigated a license system applying to foreigners leaving that country was wired to Ambassador Oshima. He was instructed to determine the extent of such restrictions in Germany and other countries to which he was accredited. Since Japan's license system would not effect members of Foreign Embassies, Ministries, Consulates and their families unless such a system were manifested against Japan in other countries, the Ambassador was directed to discover the extent and application of the restrictions.<sup>1089</sup>

#### 442. Manchukuoan-German Trade Retarded by War

As the Russo-German war progressed, increased restrictions upon Japanese-German trade were being felt, but it was difficult for Japanese officials to explain the seriousness of the situation to their Axis partners. One instance of restricted trade to Germany was the forced discontinuance of the Manchukuoan supply of soy beans. It was feared that the mere excuse of a Russo-

<sup>1084</sup> III, 812.

<sup>1085</sup> III, 813.

<sup>1086</sup> III, 814.

<sup>1087</sup> III, 815.

<sup>1088</sup> III, 816.

<sup>1089</sup> III, 817.

German war would seem a feeble pretext to German authorities considering the fact that Germany would probably counter with the argument that Manchukuo need not be concerned with the problem of overland transportation. By August 12, 1941 Japanese spokesman had agreed that they should attempt to convince Germany that since Japan was adopting emergency measures in the North in order to assist Germany, and since there was a limited supply of soy beans for domestic consumption in Manchukuo already, it would be impossible to live up to the May agreement in regard to shipments to Germany.<sup>1090</sup>

By October 8, 1941 considerable Manchurian merchandise amounting to \$215,000 which was en route to Germany through Russia had been confiscated. Since Germany would probably never receive the shipments and could not be expected to pay for them, Japan found itself in the position of settling the deal with Manchuria. In an attempt to avoid paying the retail price for the shipments which it had transhipped to Germany, Japan consulted with Ambassador Oshima and Minister Umetsu.<sup>1091</sup>

#### 443. Japan Learns of German Undercover Activities in China

On the other hand, German progress in China did not seem to be suffering since, with the freezing of assets in Tientsin, German firms were reported to be secretly purchasing United States and British real estate. This was distressing Japanese authorities, and it was advised that Japan seek the German government's cooperation either through the German Ambassador or through Dr. Helmut Wohlthat.<sup>1092</sup> Thus, Consul Makoto Okuma on August 18, 1941,<sup>1093</sup> inquired of German authorities regarding the rumored encroachment on Japanese rights in the Tientsin area. In response, German spokesmen declared that they had been giving ample support to Japan's policy of freezing British and American assets. Stating that they had no specific knowledge of any German-Allied dealings, they agreed that should the Japanese submit concrete evidence, such practice would be dealt with properly. In the instance of the German firm of Meruchaasu which was under suspicion, it was revealed that they had already issued a warning.

When Consul Okuma inquired about German-Jewish activities he was reassured that not one of the German firms in this area was Jewish, even though the Jews in that area were socially respected.<sup>1094</sup>

#### 444. Japan Cultivates the Interest of the German People

Despite these somewhat strained relations between merchants in China, the general attitude toward Japan in Germany gradually became one of increasing interest. According to Ambassador Oshima the sudden surge of interest in Japan was giving rise to a demand for materials in the form of German language publications propagandizing Japan. He reported that distribution of effective information concerning Japan was being disseminated through libraries, universities, publishers, government offices, and through the party and picked individuals. The material was nonetheless proving insufficient, and he urged the publication of new and supplementary volumes. Currently popular editions were *Nippon*, *Contemporary Japan*, *The East Asia Economic* and the *Japan Trade Monthly*.<sup>1095</sup>

#### 445. Ambassador Oshima Admonishes Tokyo for Lack of Decisive Attitude

Ambassador Oshima was becoming increasingly aroused that no definite instructions in regard to Japan's policy in the Russo-German conflict had been forthcoming from Tokyo. On

<sup>1090</sup> III, 818.

<sup>1091</sup> III, 819.

<sup>1092</sup> III, 820.

<sup>1093</sup> III, 821.

<sup>1094</sup> *Ibid.*

<sup>1095</sup> III, 822.

August 20, 1941 he transmitted a caustic reminder that no word except an account of Foreign Minister Toyoda's conferences with Ambassadors Constantin Smetanin and Eugene Ott on July 9 had been forthcoming and that it was impossible to know the real intention of the Home Office merely on the basis of such conversations. He also took this opportunity to request immediate information on Japanese-American relations, revealing that the government had become quite perturbed over the existing circumstances.<sup>1096</sup>

In a severe rebuke for the government's failure to inform its field representatives of the current situation, Ambassador Oshima telegraphed that he could not conclude that Foreign Minister Toyoda either feared that secrecy would not be maintained or that the government had not as yet decided upon a definite policy. Should Tokyo be withholding information for security reasons, Ambassador Oshima declared that every Japanese representative at the risk of his life would maintain secrecy. Should the second reason prevail, Ambassador Oshima urged that, regardless of the inconclusiveness of the information, he be told even what Mr. Toyoda himself was considering.<sup>1097</sup>

#### 446. Ambassador Oshima Objects to Japan's Use of Russian News Releases

Ambassador Oshima also complained bitterly of Japan's objective broadcasts of Russo-German frontline activities, stating that Tokyo, on two occasions, August 9 and 10, 1941, had broadcast Tass reports to the effect that Russian planes had raided Berlin on August 7 and 8. Ambassador Oshima pointed out that actually only an air raid alarm had been sounded and that no great damage, such as was reported, had been inflicted.

Stressing the fact that Japan would certainly be equally outraged should Germany deign to broadcast as facts the Chungking government reports, he suggested that Japan attempt to control future broadcasts. He further pointed out that since the German Foreign Office was constructing a large receiving station by which it would be able to listen minutely to broadcasts from the whole world, it would now be most important that Japan exercise caution in her transmissions.<sup>1098</sup>

The Ambassador continued to emphasize the ill will and confused feelings which such a policy of broadcasting would invoke throughout the Empire. This kind of reporting not only would cause misunderstanding among German officials and among Japanese living outside of Berlin, but there was a danger that it would injure the veracity of Japanese overseas broadcasts. Therefore, he urged that the Foreign Office consult with the broadcasting department and take suitable steps regarding the regulating of broadcasting reports originating in Russia.<sup>1099</sup>

#### 447. Foreign Minister Toyoda Upholds Japan's Methods

In rebuke, on August 22, 1941, Foreign Minister Toyoda reminded Mr. Oshima that the Japanese government had been following a policy of handling worldwide broadcasts objectively and impartially in the hope of fostering confidence. He stressed the point that from the very fact that German broadcasts had been so severely regulated, their China and South Seas propaganda power had become worthless.

He also countered that such examples as the Ambassador had pointed out were extremely rare and challenged him to listen over a period of several days to verify this. Substantiating evidence for the report of a Russian raid on Berlin had been garnered from Domei dispatches and had originated in London and Vichy, the Foreign Minister revealed. Again he emphasized

<sup>1096</sup> III, 823.

<sup>1097</sup> III, 824.

<sup>1098</sup> III, 825.

<sup>1099</sup> III, 826.

the fact that the Japanese broadcasting companies, working in unison with all government branches, were completely supporting their Foreign Office policy of upholding the Tripartite agreement.<sup>1100</sup>

#### 448. Ambassador Oshima Confers with Field Marshal Keitel

By August 25, 1941, according to Ambassador Oshima who had been gathering battle reports from various sources<sup>1101</sup> including the German Field Marshal Wilhelm Keitel, with whom he talked on August 23 at General Headquarters,<sup>1102</sup> German strategy was meeting with unprecedented success. In a lengthy six part dispatch transmitted on August 25, 1941, Ambassador Oshima attempted to convey to his Home Office the current trend of Russo-German hostilities, as related to him by the Field Marshal. Accordingly, he revealed that Russian casualties were estimated to be about five million, with a definitely known total of 1,250,000 prisoners and twice that many dead. Only the equivalent of about 60 divisions of the 260 which had appeared on battlefields remained, and these seemed to be haphazardly slapped together, resulting in low military efficiency. It had been estimated that the armed strength of the Soviet Union had fallen to one third of its original strength. The shortage of equipment and officer material was apparent. In some cases sergeants commanded battalions and in others a lieutenant would be in charge of a regiment.

Judging from the population it would be possible to organize about 20 more divisions, but in so doing they would practically exhaust the source of supply. Female battalions had already made an appearance. Although the Russian forces were still rich in manpower, they no longer were equipped or trained to fight with any degree of efficiency.<sup>1103</sup>

On the other hand, in regard to German losses, the Field Marshal stated that casualties were less than 160,000, the dead to date reaching 40,000. War reports from the southern front showed Odessa completely encircled while Dnepropetrovsk, located in a field warfare area and very strongly fortified, was being subjected to artillery fire before German forces would make any direct in-fighting attempt.

It was pointed out that in order to avoid the damage resulting from suburban warfare, Kiev was being subjected to destruction by artillery fire, to be followed up by infantry attacks.

Sudden and rapid developments in the Ukraine sector had enabled the German army to annihilate the greater part of Marshal Senyon Mikhailovich Budenny's forces, Field Marshal Keitel revealed. Because of the speed with which this advance had been conducted, all grains and other goods were left intact. From this point the German forces were scheduled to push on across the Dnieper River to Harikohu and Donbasu.<sup>1104</sup>

Along the northern front the Leningrad-Moscow railroad had already been cut at Chudovo and the German army had laid siege to the outlying districts of Leningrad from which it was reported that Marshall Kliment Voroshilov had fled. In Estonia, Revel remained the only unconquered area. Here again the German forces were avoiding rushing tactics and were concentrating on heavy artillery fire, the Field Marshal explained. The Finnish forces in cooperation with the Germans had advanced to the area between Lake Ladoga and Lake Onega. For the purpose of seizing the Murmansk area, General Eduard Dietl, famed for his defense of Narvik, was reportedly arriving from Norway with his forces via the sea.<sup>1105</sup>

German divisions on the central front had been diverted to both the southern and northern theaters, the latter group reaching a point southeast of Leningrad, and joining forces with the troops in that area.

<sup>1100</sup> III, 827.

<sup>1101</sup> III, 828.

<sup>1102</sup> III, 829.

<sup>1103</sup> III, 830.

<sup>1104</sup> III, 831. (The Kana word Harikohu is believed by United States translators to be Kharkov; and the Kana word Donbasu, to be Rostov.)

<sup>1105</sup> *Ibid.*

#### **449. Field Marshal Keitel Explains German's War Aims**

Explaining the aims of the German forces, Field Marshal Keitel told Ambassador Oshima that they were preparing to launch the second phase of the war soon. The goal of this phase included the capture of the entire region from Rostov to Moscow and the industrial area around Leningrad. These campaigns should be concluded by early November at which time the Russian field forces would have been destroyed. The Caucasus area was to be seized, but this action might not be initiated until December. No prediction about forces to be sent to the Urals could be made until the completion of the second phase. The Field Marshal blamed any delays on weather conditions and the stubborn resistance of the Russian masses.<sup>1106</sup>

#### **450. Nationalist Chinese in Germany Present a Problem to the Axis**

On September 2, 1941, Ambassador Oshima reported that a problem had arisen in connection with Chinese Nationalists in Berlin. Although Li Sheng-Wei had been appointed as Nanking Ambassador to Germany, he was experiencing transportation difficulties and would not be on hand to control the situation in Germany for some time. As a means of meeting the existing emergency Ambassador Oshima suggested that Nanking appoint an honorary consul in Berlin, which appointment would be approved by Tokyo, to deal with these "depraved anti-Japanese rascals".

Ambassador Oshima declared that the plan to establish an honorary consul had been thoroughly approved by the German government. If Nanking wished, Berlin had offered to select several "New Order" advocates to collaborate with Nanking representatives for the improvement of Japanese-Chinese-German relations. Ambassador Oshima requested the Foreign Minister's approval.<sup>1107</sup>

#### **451. Japanese-German Trade Continues Despite Difficulties of War**

Japan and Germany continued to rely upon each other for transportation facilities as, according to a September 1 dispatch, German and Italian Ambassadors in Tokyo requested that Japanese ships be made available for transporting Axis documents from Tokyo to South America. Japan had been in agreement provided that Italian airplanes flying between Italy and Rio de Janeiro and Santiago be made available for the transportation of Japanese documents which were secret or confidential in nature.<sup>1108</sup>

Tokyo wired that Ambassador Oshima urge the German Ministry of Finance in Berlin to approve Japan's request to draw from German peso funds in Argentina the equivalent of 7,000,000 yen to apply against Japanese purchases of cowhide. As compensation, Foreign Minister Toyoda explained, Japan was offering petroleum and other goods as well as foreign money. Although the details of the negotiations had been communicated to the German government via its representatives in Tokyo, by September 2, 1941, no action had been forthcoming and two of Japan's ships were already in South American waters prepared to load the cargo.<sup>1109</sup>

In the meantime, the Japanese embassy in Berlin was experiencing difficulties in distinguishing between official and civilian, urgent and non-urgent goods. Twenty-seven thousand tons of freight which was destined for Japan had accumulated, and although instructions from Tokyo stipulated that the goods be divided into four categories with the number of tons in each, Ambassador Oshima was at loss to cope with the matter and requested that hereafter more explicit arrangements be completed in Tokyo.<sup>1110</sup>

<sup>1106</sup> *Ibid.*

<sup>1107</sup> III, 832.

<sup>1108</sup> III, 833.

<sup>1109</sup> III, 834.

<sup>1110</sup> III, 835.

On September 6, 1941 Ambassador Oshima made a report concerning Germany's growing economic control over the Balkan States with the exception of Turkey. He declared that since Germany's imports were in excess of its exports especially in its trade with Rumania, it had resorted to changing the exchange rate in its own favor. In addition to this Germany had exported large quantities of arms to these countries, thus strengthening itself militarily as well as adjusting its trade balance.

Ambassador Oshima also revealed that an optimistic view prevailed in the Balkan states in regard to the new period plans<sup>1111</sup> which were designed to increase production since at the present time agriculture appeared to be in an extremely primitive state. However, by supplying implements and fertilizers, the German government hoped to prevent a decline in agricultural production and, depending upon such endeavor, might eventually be able to increase by 50,000 tons such oilbearing crops as soy beans. However, no general radical increase in agricultural production could be expected within the next two or three years.<sup>1112</sup>

According to Ambassador Oshima, by strict control, Germany was assuring itself of the Balkan supply which was larger than in previous years. The commercial and economic implications of Germany's plan to develop the River Danube water route connecting it with the Rhine to facilitate uninterrupted shipment of petroleum, grains, lumber, etc., were emphasized in regards to the future prosperity of Europe.<sup>1113</sup>

According to Minister Sikao Matashima the German army's activities had only slightly affected agricultural production in the Balkans, and harvest appeared even better than in previous years. There was a resulting tendency toward collaboration of additional Balkan countries with the Reich. These nations were operating under a produce pact with Germany in accordance with which they were supplying raw materials in exchange for German war materials, farm tools, medicines, etc. The mark became the unit of exchange in all trade transactions between Germany and the Balkans. Trade between the Balkan nations themselves was to be regulated in the Berlin Exchange Control Bureau with all loans to Germany being repaid by manufactured articles. This, it will be seen, established a virtual Balkan trade block in which Germany controlled an export market and would be economically sovereign. Germany now was getting more arms from the Balkans and transporting them over safer routes. Although currency exchange rates were unstable at present, Minister Matashima was confident that after Germany had won the Russian war, the situation would improve.<sup>1114</sup>

#### **452. German Army Plans to Advance Along Leningrad-Sverdlovsk Railroad After Leningrad Falls**

On September 3, 1941, a message transmitted from Moscow to Tokyo on the progress of Russo-German hostilities was rebroadcast to Hsinking despite the previous warning of Ambassador Oshima in Berlin that Japan should be more cautious of Russian reports. In this case, however, it was predicted that, after the capture of Leningrad, one part of the German army would advance along the line of the Leningrad-Sverdlovsk railroad and other part, the main force, would advance with the central army toward Moscow.

Should the Germans be successful in dealing Russia a knockout blow in Leningrad, Moscow, and Kharkov, it would be but a brief step to the oil fields of Grozny. With the withdrawal from these three important cities Russia would lose four-fifths of its war industries.

The same report revealed that the Soviet Republics' government outwardly appeared calm. As yet there were no signs of collapse in the Red army which stubbornly resisted the Germans

<sup>1111</sup> III, 836. Five or ten year plan worked out or put into effect in the Balkan States.

<sup>1112</sup> III, 836.

<sup>1113</sup> III, 837.

<sup>1114</sup> III, 838.

in its attempt to carry on a long war. But it was predicted that soon the army would deteriorate, and such possibilities, it was believed, were causing much concern in America and England.<sup>1115</sup>

On September 4, 1941, Ambassador Oshima reported activities at the front as they had been explained by a reliable German source. In this statement the encirclement of Leningrad had been completed with the occupation of Slusselburg. Among the prisoners captured during the fighting in this neighborhood were armed citizens as well as workers operating tanks. The strategy involved in taking the city was to rely principally upon shelling and bombing and to avoid street fighting.

With regard to activities in the Kiev area it was believed that since Soviet forces to the east could no longer retreat, mopping-up activities would be completed in the following week.

German forces had crossed the Dnieper River all along the line from Dnepropetrovsk south and were gaining steadily.<sup>1116</sup>

#### 453. Rumors of Mobilization on Bulgarian-Turkish Border Disproved

From Turkey came rumblings of massive troop concentrations on the Bulgarian-Turkish border. In order to obtain first-hand information Japanese representatives there made an official trip to Bulgaria, where it was discovered that not more than eleven Bulgarian divisions and not more than five German regiments were located. Hence, although at first it had been thought that Field Marshal Sigmund Liszt's army was stationed there, later data seemed to disprove this theory.

With regard to Turkish-German relations, it was believed that Germany would not be inclined to hurry her negotiations until the eastern front had been brought under control even though trade negotiations had been scheduled to begin on September 2, 1941.<sup>1117</sup>

#### 454. Ambassador Oshima Tours Occupied European Countries

On September 8, 1941 Ambassador Oshima advised Foreign Minister Toyoda that he would leave the following day for a tour of German occupied territories in Belgium, the Netherlands and northern France at the invitation of the German government.<sup>1118</sup>

#### 455. Ambassador Oshima Again Threatens Resignation

Again on September 20, 1941, Ambassador Oshima threatened Tokyo with his resignation if Japan did not clarify its intentions with regard to the Japanese-American negotiations. Complaining that such an explanation as the Foreign Minister had transmitted on September 10, 1941,<sup>1119</sup> was little more than routine diplomatic material, Ambassador Oshima stated that it was impossible for him to know the truth regarding his own government. The pro-Axis Ambassador continued that although outwardly the Japanese government claimed that the Japanese-American negotiations would not violate the spirit of the Three Power Agreement, he was doubtful.

Asserting that he had been "in a fog" since July 2, 1941 when the national policy was decided, Ambassador Oshima stated that he felt incapable of performing his duties satisfactorily.<sup>1120</sup>

<sup>1115</sup> III, 839.

<sup>1116</sup> III, 840.

<sup>1117</sup> III, 841.

<sup>1118</sup> III, 842.

<sup>1119</sup> III, 843.

<sup>1120</sup> III, 844.

#### 456. German National Defense Ministry Estimates Current Situation

The Vice Chief of the General Staff in Tokyo forwarded to the Washington delegation an estimate of the current situation on September 20, 1941. This estimate, reportedly originating from the German attaché in the United States, had been sent to the Japanese representatives in Berlin by the German National Defense Ministry; and Tokyo requested that its authenticity be investigated in Washington.

The German attaché was credited with stating that if Japan attacked Russia, England would aid the Soviet Union; but that unless Japan attacked the Philippines or seriously menaced the American transport routes, the United States would not declare war against Japan. This reluctance on the part of America would greatly decrease its prestige in the Pacific area. He stressed that it was of vital importance to the Axis Powers that the United States be kept in "some dilemma" concerning Far Eastern problems.

Employing a policy of delay because its fleet was divided between two oceans and because its air force and army were lacking in strength, the United States was attempting to use economic pressure to conceal its weaknesses. The German attaché pointed out that if Japan procrastinated, the British and Americans would have had time to combine their naval strength and Japan would have "lost an excellent prize by chasing the sun".<sup>1121</sup>

#### 457. Japan Repudiates Poland

Although Ambassador Oshima had failed in his efforts to persuade former Foreign Minister Yosuke Matsuoka that Japan should accede in Germany's demand that Poland be repudiated, it appeared by August 15, 1941, that under the new Cabinet, final steps in this direction would be taken. The Japanese Ambassador was notified that after talking with Ambassador Ott, Foreign Minister Toyoda had agreed to call a special meeting of the Privy Council in September at which time the Japanese Embassy in Poland would be abolished and the Polish Embassy in Japan would be repudiated.<sup>1122</sup> However, circumstances prohibited the presentation of this request to the Privy Council before October and the Council was not expected to give its approval until October 3, 1941, at which time the Polish Ambassador would be notified.<sup>1123</sup>

#### 458. Germany Explains the Greer Incident

Meanwhile, on September 8, Germany's Vice Minister Ernst Von Weizsäcker accounted to Tokyo via Ambassador Oshima for the Greer incident which involved a German submarine attack on a United States warship. He explained that the submarine upon approaching the vessel for identification purposes had been fired upon. However, he said, although attacked, the submarine dove and waited two hours during which the attack continued; and then it surfaced, sighted the warship, and released two torpedoes in self-defense.

At Ambassador Oshima's query as to Germany's intention in the matter, the Vice Minister replied that he did not know Hitler's intentions but personally he did not believe that too much ado should be made about it. According to Ambassador Oshima, President Roosevelt appeared to be using the incident to stir up a war spirit in the United States. Nevertheless, Ambassador Oshima believed that since no diplomatic steps had been taken, nothing more would come of the affair.<sup>1124</sup>

#### 459. Ambassador Oshima Learns of German Transactions for South American Money

On September 11, 1941, Ambassador Oshima divulged that Germany was holding large sums of money in South American branch banks which it was attempting to obtain before the

<sup>1121</sup> III, 845-846.

<sup>1122</sup> III, 847.

<sup>1123</sup> III, 848.

<sup>1124</sup> III, 849.

American freezing order went into effect. These assets Berlin hoped to obtain primarily by selling gold, but also by affixing the funds held by Germans in South America, purchasing raw materials, and by "bootlegging" South American currencies.<sup>1125</sup>

Only four days later the Ambassador revealed that transactions were being made at 10 per cent under the market price by German representatives in Lisbon with Argentina, Uruguay, and Brazil.<sup>1126</sup>

#### 460. New Japanese-German Shipping Problems Arise

Meanwhile some new questions were arising regarding neutral shipping. Ambassador Oshima wired his home government on September 17, 1941 to explain its decisions on several points. Items under discussion by the army and navy and Japanese merchants in Berlin involved the transporting of freight. Such problems involved an interpretation of the word "neutral", a decision as to type of freight, and the necessity for obtaining navicerts.

Ambassador Oshima also explained that the Berlin contingent desired that all freight be collected at Marseilles and then shipped by water to Lisbon thereby eliminating the use of the inefficient Spanish railroads. In this regard he wanted to know whether or not there would be an official British inspection and if so how thorough such a search would be.<sup>1127</sup>

#### 461. The German Army Reaches Leningrad

By September 15, 1941 Ambassador Oshima reported that the German army had completely surrounded Kiev's east side, resulting in the encirclement of nearly 1,000,000 Russian soldiers. To the north other divisions had reached the Leningrad suburbs. The sudden invasion of the Crimea had already proved successful although during operations the German General Eugen Ritter von Schobert had been killed.<sup>1128</sup>

In defensive tactics, Ambassador Oshima emphasized the superiority of the German military, comparing the extent of the damage by bombing done to Hamburg to that of London. According to his report, little damage to communication organization had been inflicted and anti-aircraft guns and camouflage maneuvers had been most effective. Apparently, the English were not risking large numbers of men in group bombings.<sup>1129</sup>

#### 462. Ambassador Oshima Inspects Bombing at Hamburg

While inspecting the harbor at Hamburg immediately after its pounding, Ambassador Oshima on September 10, 1941 reaffirmed the German statement that little damage had been accomplished. He noted that four submarines were then under construction while German sources revealed that one ship a week was being completed.

Although German industrial and munitions factories were being hit, little damage in general had been accomplished. However, it was admitted that the Manheim Castle had sustained heavy losses.<sup>1130</sup>

#### 463. Respective Treatments of Russian and German Nationals Reviewed

At this point, confusing stories regarding the respective treatments of stranded nationals and people of occupied areas were being disseminated by Germans and Russians alike. According to Ambassador Yoshitsugu Tatekawa in Moscow, the Soviet government had been ban-

<sup>1125</sup> III, 850.

<sup>1126</sup> III, 851.

<sup>1127</sup> III, 852.

<sup>1128</sup> III, 853.

<sup>1129</sup> III, 854.

<sup>1130</sup> III, 855.

ishing German nationals to Siberia and Turkestan upon 48 hours notice and already had ordered the compulsory removal of 600,000 Germans from the Volga area.

On the other hand, the Germans through refugee spokesman were spreading counter propaganda, apparently advancing their own generosity to all peoples of the occupied areas. Stressing the fact that they had been supplying food and places of shelter, the Nazis had succeeded in influencing even greater numbers of peoples so that still fewer persons believed Soviet stories of German atrocities. Accordingly, Ambassador Tatekawa stated that the numerous Soviet propaganda articles were becoming conspicuous. To him, such stories seemed to be only an outlet for Russian impatience with the unfavorable war conditions.<sup>1131</sup>

#### 464. Ambassador Suma Confers with General Franco

On September 30, 1941 Ambassador Yakichiro Suma in Madrid expressed opinions resulting from a conversation with General Franco at the Parudo<sup>1132</sup> Palace on the previous day. According to this report, the Axis had succeeded in destroying more than half of the Soviet army, and within a month's time the military phase of the Russo-German conflict would be ended.

However, it was recognized that because of the policy of scorched earth being carried out by a strongly united Communistic people, it was possible that they would withdraw into the Turkestan region to continue resistance. Therefore, Ambassador Suma recognized that an Axis compromise with Stalin could not be considered. Germany would have to annihilate the Soviet Army completely.<sup>1133</sup>

Ambassador Suma continued with General Franco's views, divulging that the Axis need have no fear of American or British troop landings on Gibralter, which was obviously too narrow, or in Portugal, which would be swallowed up by Spain should she afford any opportunity of an invasion to the enemy. However, care should be taken against the United States' occupying Dakar and Cape Verde preparatory to its entrance into the war.<sup>1134</sup>

#### 465. Axis Powers Develop Communications Intelligence

Colonel Senjuro Hayashi in a dispatch to the Head of the General Affairs Section in Tokyo dated September 22, 1941 requested an outline of the procedure to be used in sending British messages. Insomuch as he had asked Major Nishi to deliver this material to the Germans during his absence, he felt that he must know immediately how his country planned to handle these wires. Colonel Hayashi remarked that the Germans had expressed their appreciation for the material they had received and conveyed his congratulations to Lt. Colonel Kawamura and to Mr. Sueyoshi on the success of their cryptanalytic work.<sup>1135</sup>

On the same day another message from Berlin to Tokyo suggested that Lt. Colonel Scholz of the German OKW ABWEHR<sup>1136</sup> be awarded the Order of the Sacred Treasure, third class, at the same time that Mr. Kemp would receive his commendation. The reason for further bestowing an award on Lt. Colonel Scholz who had received the Order of the Rising Sun, fourth class, was that as head of the communications of the attaché office, he had given meritorious service, particularly in regard to German-Japanese joint cryptanalytic work.<sup>1137</sup>

From Bangkok to the Vice Chief of the General Staff in Tokyo came a list of steps which should precede air operations in British Malaya. It was suggested on September 26 that if these operations were being considered, there should be a thorough-going reenforcement of the

<sup>1131</sup> III, 856.

<sup>1132</sup> Kana spelling.

<sup>1133</sup> III, 857.

<sup>1134</sup> III, 858.

<sup>1135</sup> III, 859.

<sup>1136</sup> Kana spelling.

<sup>1137</sup> III, 860.

air units in Saigon. An accurate utilization of the detailed intelligence already collected and the establishment of spy networks would be necessary as well as the execution of wind-speed observation with balloons having radio-sounding equipment, twice daily, in at least five places. These were to include Saigon, Hanoi, and Heito.<sup>1138</sup>

#### 466. Communications Difficulties Noted in Switzerland

Ambassador Oshima's plea for clearer coverage of his government's policies were echoed from Bern, Switzerland, on September 1, 1941, by Consul Takanobu Mitani who suggested that as a result of the difficulty in maintaining communications between Japan and its various outlying stations, some steps should be taken to rectify the situation. In this regard, he proposed that in view of the increase of news of the day and the necessity for its immediate distribution one broadcast a day would last too long if it covered all the news. Henceforth over the Switzerland station two separate periods lasting from 40 to 60 minutes each would be inaugurated, to be scheduled approximately as 6:00 p.m. and 11:00 p.m.

In harmony with this new plan for reducing the time of an individual broadcast but increasing the over-all coverage of the news, Consul Mitani explained that the content of each broadcast from Bern would be increased while a more careful selection of the news to avoid repetition would be practised. The plan was to give explanations of new place names and personal names. To this end it was decided to arrange for an immediate change in wave length and to distribute reference material.<sup>1139</sup>

#### 467. Berlin and Tokyo Negotiate for Improved Communications

It will be remembered that negotiations had been initiated between Berlin and Tokyo to determine a more efficient and satisfactory method for settling the communication difficulties between Japan and Germany prevalent at this point. An agreement, submitted by Ambassador Oshima, was approved on August 20, 1941 by authorities in Tokyo. This placed the authority for concluding the technical arrangements in the hands of officials of the German and Japanese Broadcasting Companies. Another plan gave ultimate authority to the German and Japanese governments. Of the two plans submitted, Foreign Minister Toyoda approved of the one sanctioning the least possible "meddling" of foreign officials with the private broadcasting companies. However, he stated that in case the German authorities requested it, he had no objections to entering the statement that liaison officers would attend to the business of contracting the broadcasting company according to Foreign Office instructions from the respective countries.<sup>1140</sup>

After conferring with the German government, Ambassador Oshima replied to the Foreign Minister on September 1, that he had been informed by German authorities, that with the growing importance of radio in the world situation they had already established a diplomatic post of radio attaché in Tokyo and in other of the important capitals throughout the world. In addition Germany placed much importance upon radio as being an integral part of the functions of a state, and as for leaving anything but the program details up to direct negotiations between the broadcasting companies, it was made clear to Tokyo that Germany was not in accord, furthermore that it expected to retain the right to have the final say in all matters having political implications.

Ambassador Oshima hurried to make it clear to the Foreign Minister that Germany had no intention of interfering with the organizations of foreign countries which had been specifically established to conduct informative and propaganda work, but believed that the matter would have to be arranged and settled in its entirety through governmental negotiations or have the

<sup>1138</sup> III, 861.

<sup>1139</sup> III, 862.

<sup>1140</sup> III, 863.

governments enter into agreements covering the general points and leaving the details up to the private broadcasting associations.<sup>1141</sup>

In rejoinder on September 12, the Foreign Minister pointed to the previously established exchange radio agreement between Japan and Italy, which had been based on a sincere understanding between the radio bureaus of both countries. However, if the German authorities, as a matter of government policy, pressed for an understanding regarding this agreement, the Japanese on their part would like to request that an exchange of notes confirm the agreement. The Foreign Minister urged that Ambassador Oshima keep this in mind while once more negotiating with the German authorities.<sup>1142</sup>

After meeting with German officials again according to his instructions, Ambassador Oshima explained to Foreign Minister Toyoda on September 20, 1941 that Germany had decided that an agreement between the two broadcasting associations would be concluded and that the governments of the two countries concerned should have recognition to the agreement by an exchange of memoranda. With regard to clause V, which Germany had previously desired to delete anyhow, they proposed that,

"those engaged in the work of broadcasting should reserve to the Government the ultimate right of censorship in matters of political importance and a clause should be included to the effect that officials engaged in exchanging broadcasts should follow instructions given by the Ambassador."

Since a great deal of time had already been spent in discussing the matter, Ambassador Oshima urged that his government compromise on the point of government negotiations and put the plan into practice immediately.<sup>1143</sup>

Foreign Minister Toyoda then notified Ambassador Oshima that the authorities in Tokyo had decided to conclude the agreement between the broadcasting associations of the two countries based on the Japanese proposals regarding the exchange of broadcasts between Japan and Germany and to exchange a memorandum patterned after the official Japanese-German Medical Science agreement of 1939, between the governments of the two countries in order to validate the above. Japan would agree to eliminate Clause V of the proposals.

Expressing the desire of Tokyo broadcasting authorities to have the signing of the agreement take place in Tokyo, Foreign Minister Toyoda proposed that Mr. Shichiro Komori be made Japanese director of this broadcasting association and asked that the Germans select their representative and notify Tokyo.<sup>1144</sup>

#### 468. Rumanian Losses Revealed

By October 6, 1941, reports from Bucharest transmitted salient points from a Rumanian official announcement which located the Rumanian alpine and cavalry forces with the Germans between the Dneiper River and the sea of Azov. Since the beginning of hostilities Rumanian forces reportedly had captured 60,000, killed 70,000, and wounded 100,000, while Rumanian loses were counted at 20,000 dead and 15,000 missing. This bulletin reported that the fire caused by the bombing of the Ploesti Petroleum Works had amounted to no more than 300,000,000 lei.<sup>1145</sup>

#### 469. Ambassador Oshima Denies Rumors of Russo-German Pre-War Negotiations

Declaring that intelligence which had been sent to him by the Foreign Office to the effect that Germany was now reaping the mistake of turning against Russia in June, 1941 was a "ridiculous fabrication", Ambassador Oshima on October 2, 1941 gave what he believed to be

<sup>1141</sup> III, 864.

<sup>1142</sup> III, 865.

<sup>1143</sup> III, 866.

<sup>1144</sup> III, 867.

<sup>1145</sup> III, 868.

the true motives for Germany's entrance into the war against Russia. Since it was Germany's purpose to consolidate the eastern front for the war against England, it had been necessary to annihilate the Russian field troops and to overthrow the Communist regime. With these objectives, it was clear, according to Ambassador Oshima, that no demands had been filed with Russia nor had Germany's objectives been discussed over a conference table. It was true, the Japanese Ambassador conceded, that Russia was putting up a far more obstinate fight than Germany had imagined possible.

Furthermore, the rumors that Herr Von Ribbentrop was operating his own spy agency in Germany were false since the German Foreign Minister, helping and advising daily at Supreme Headquarter in Berlin, was in the closest confidence of Chancellor Hitler. Such rumors were branded as pure nonsense by Ambassador Oshima who stated that they had been circulated in the United States only to drive a wedge between Japan and Germany. Ambassador Oshima suggested that Foreign Minister Toyoda allow competent Japanese authorities to peruse the telegrams he had written before and during the outbreak of Russo-German hostilities.<sup>1146</sup>

#### 470. Ambassador Oshima Counteracts British and American Propaganda

In order to counteract what Ambassador Oshima termed British and American propaganda relative to the strength of the Soviet Army in the Far East, he communicated on October 6, 1941 a list of the Russian Far Eastern divisions which had been destroyed since the middle of September. According to the German High Command, these divisions had already ceased to exist as organized divisions since the middle of August.<sup>1147</sup>

On October 8, Ambassador Oshima related pertinent points of a recent conversation with Germany army and naval attachés who had just returned from a tour of observation of the eastern front. From this meeting, he learned that should the German army continue at its current rate of advance disposing of the Russian troops in Moscow, and its surrounded neighborhood, it would not be long before the eastern front could be consolidated.

Commenting upon the British and United States "propaganda" regarding Germany's plan to offer peace to the Soviet immediately after the fall of Moscow, he stated that this would never happen. In explaining his opinion he remarked that although Germany would in the future direct her principal strength against England, she would not weaken her aggressive attack on the Soviet Union until the Communist regime had been overthrown.

He cautioned Tokyo against believing British and American reports that the war between Germany and the Soviet Union had been stalemated; for it was self-evident that the fall of Moscow would be a tremendous blow to the Stalin regime.<sup>1148</sup>

#### 471. Ambassador Oshima Report on Russo-German Warfare, October 11, 1941

Despite Ambassador Oshima's warning to Tokyo against placing too much confidence in British-American propaganda, he could not deny that the German advance had slowed considerably. In order to explain this event, he announced on October 11, 1941 that the Soviet army had been found to possess a far greater supply of weapons than was expected and that the entire nation had been aroused to stubborn resistance. Therefore, the German army had not attempted the impossible by attacking them outright but had deliberately plotted for their annihilation by means of slow methodical warfare. He repeated that Soviet losses had been extremely heavy in comparison to German army casualties.

In this message the Ambassador also announced the beginning of the large-scale siege of Moscow and predicted that the remainder of Marshal Samyou Timoshenko's troops would suffer severe treatment at the hand of the invading German army. This devastating blow, in line

<sup>1146</sup> III, 869.

<sup>1147</sup> III, 870.

<sup>1148</sup> III, 871.

## THE "MAGIC" BACKGROUND OF PEARL HARBOR

with German strategy, had been dealt the Soviet forces before the severe winter had set in. Germany had seized the larger part of Soviet raw materials, so that soon the invaded country would be reduced to servitude.<sup>1149</sup>

Although Ambassador Oshima had from time to time expressed the belief that the extinction of Communism was the primary purpose of Germany's war aims, he now pointed out with assurance that Germany's principal objective in this war was the overthrow of Great Britain. This would have to be done by an increase of air attacks and submarine warfare followed by landing operations. Such operations, Ambassador Oshima believed, would not take place before spring. Although he acknowledged that Great Britain believed such landing operations would end in failure, he assured his Home Office that the preparations of Germany had assumed large proportions backed by the cooperation of all the war industries of Europe, and by the excellence of the German supreme command and the quality of its soldiers. He then pointed to the example set by the German army in the Norway operations and in breaking the Maginot line.

Ambassador Oshima continued stating that Germany itself was awaiting the invasion hour with the greatest of confidence. In the meantime, it planned to complete operations in the Caucasus, the Near East and Egypt. With regard to British strength in the Far East, Ambassador Oshima explained that Germany considered such claims of 750,000 British troops a great "bluff" and did not believe it necessary to move large opposing forces there. Thus, it would keep its main forces for a concentration of the landing operations in England.<sup>1150</sup>

He again repeated that Germany expected to bring Britain to its knees by force of arms if it did not surrender unconditionally. In this event, although the British royal family, the government and the navy would flee to overseas possessions and continue resistance with American cooperation, still the spiritual effect of successful landing operations on British soil would strike the world a resounding blow.

Should the government flee England, there would be no hope of British victory, since it was not believed that resistance could be continued without immediate leadership and 40,000,000 subjects would be left to die. The Ambassador then commented upon the fact that Germany had repeatedly made the statement that it assumed no responsibility for feeding peoples of occupied areas.

Personally, however, Ambassador Oshima did not believe in the possibility of British leaders' fleeing to overseas areas. He recognized that much would depend upon the United States' attitude in the near future, but he did not expect that America would be in a position to formally declare war on Germany early in 1942. Then, if after having subjugated Britain, Europe, Russia, North Africa and the Near East, Germany proceeded with her plans for a new order in Europe, even the United States would not be able to do anything about it.

Ambassador Oshima also considered the possibility of Germany's not being able to attack the United States even though at war with it, and submitted that he believed some way would be found for Germany and the United States to reach an agreement. In his opinion, even though the two countries should continue to oppose each other, a state of war between them would not last long.

Then Ambassador Oshima dealt briefly on the hope of Britain and United States that internal disturbances would interrupt German progress, stating that at present the occupied areas were of no concern and that Germany was not in the least worried about the situation following the conquest of England.<sup>1151</sup>

<sup>1149</sup> III, 872.

<sup>1150</sup> III, 873.

<sup>1151</sup> III, 874.

#### **472. Ambassador Oshima Urges Support of Germany's War**

Finally, Ambassador Oshima approached the point he had been attempting to emphasize. In his opinion should Germany be forced to accept merely the occupation of the British Isles, abandoning its plan for complete overthrow of the British Empire throughout the world, Japan in the future would still face the combined interests of the United States and Great Britain in the Far East. Therefore, Japan must assist in the complete conquest of the British Empire. Along this line the speedy settlement of the China incident was mandatory and Ambassador Oshima pointed to the need for the resources and markets of the south. The great objective in concluding the Tripartite Pact had been this very thing. Said Ambassador Oshima,

"The realization of our objectives, and destiny of the Empire for a thousand years now hangs upon the success of Germany and Italy in Europe."

He again warned against being taken in by British propaganda and reiterated his belief that it would be more difficult for Japan in the future should Germany and Italy gain a victory only in Europe.<sup>1152</sup>

To insure the future of the East Asia Co-prosperity Sphere, Ambassador Oshima urged that Japan reinstate the true aims of the Tripartite Pact by establishing a definite course with regard to the war in Europe. As one means to this end, he reaffirmed his desire that Tokyo make plans to eliminate the Soviet threat at this opportune time. Then simultaneously with Germany's invasion of England in the spring of 1942, the government should launch its southward penetration. He asked that the German high command be kept informed of Japan's efforts along these lines.<sup>1153</sup>

#### **473. Promiscuous Dissemination of Restricted News is Condemned by Foreign Minister Toyoda**

With the continuation of damaging British and Russian propaganda, it soon developed that Ambassador Oshima was not the only one concerned about general dissemination of restricted news in Japan; for on October 11, Foreign Minister Toyoda issued a reprimand to Berlin in which he suggested that since popular dissemination of short-wave wireless news of a certain classification was not permitted in Japan, any privilege accorded to foreign diplomatic establishments should not be abused by allowing promiscuous publication. Foreign Minister Toyoda explained that the policy in Japan had been to restrict all material which was used in publication "Bulletin" to the general public, but to allow it some distribution among foreign officials. In view of the current situation it would also be quite impossible to allow Germany or Italy popular use of the releases.

The Foreign Minister explained that the Vice Minister had already approached Ambassador Ott on the proposition of strengthening cooperation between Axis and Domei reporters, at the same time arranging for an interview between Ambassador Ott and Chief of the Intelligence Bureau Ito, on the 10th of October. At this meeting, it was decided that publication of all pamphlets other than the "Bulletin" would be suppressed. The exhibition of all British propaganda films were to be ruled out and the publication and exhibition of German and Italian films in Japan would be increased.<sup>1154</sup>

#### **474. Government Control of Press Urged by Ambassador Oshima**

On October 13, 1941 Ambassador Oshima took his turn in rebuking the home government for releasing an editorial by the Domei press to the effect that Germany should end Russo-German hostilities and concentrate on an invasion of England insomuch as a long war would be disadvantageous to the Axis countries. He also took this opportunity to rebuke the Foreign

<sup>1152</sup> III, 875.

<sup>1153</sup> III, 876.

<sup>1154</sup> III, 877.

Office for the release of the Domei dispatch from Ankara revealing that Hungary had lost forty per cent of her total army in the current Soviet campaign. Then releases, Ambassador Oshima pointed out, had been used by Boston and other foreign broadcasting stations in propaganda activities, and, besides, they served to arouse the displeasure of the Axis powers. He demanded that strict representations to the proper authorities be made so that future reports and editorials of this type would be completely eliminated.<sup>1155</sup>

#### **475. Germany and Turkey Sign Commercial Pact**

On October 9, 1941 Japanese-Ankara spokesmen revealed that the commercial treaty which had been under negotiation between Germany and Turkey had been signed, effective for one and one half years. The total amount of exports and imports were set at 200,000,000 marks each, with Germany trading manufactured goods for Turkey's raw materials. Although this figure was computed on a basis of 50 per cent of Turkey's output, Germany planned to take over the complete 1943 supply of chrome to bring the total Turkish exports to Germany up the scale.<sup>1156</sup>

#### **476. Ambassador Oshima Confers with Foreign Minister Von Ribbentrop**

Foreign Minister Joachim Von Ribbentrop made the first anniversary of the Tripartite Pact<sup>1157</sup> on October 1, 1941 an occasion for expression Germany's dissatisfaction with the Japanese negotiations with the United States. During several visits with him Ambassador Oshima learned that Germany was thoroughly disgusted with Japan, having received proof that although Japan would not confide the secret Japanese-United States negotiations with its Tripartite partner, America was continually revealing Japanese-American secrets to the British. Ambassador Oshima explained that he was attempting to convince the press that German high officials were also informed of the negotiations, but the whole hoax was proving increasingly difficult.

Ambassador Oshima was ever conscious of third power impressions which seemed now to picture Japan as avoiding the conflict because of impoverishment resulting from the China incident, and because she lacked faith in the outcome of the European war.

Now, even though Germany might overlook inevitable attempts of third powers to divide the Axis partners and would keep up a pretense of smooth relations, still there was a general bad feeling among leaders which might precipitate malicious acts on the part of Germany.<sup>1158</sup>

#### **477. Germany Disapproves of Japan's Attitude Toward Russian-American Trade**

Foreign Minister Von Ribbentrop the following day called to the attention of Ambassador Oshima the receipt of a report revealing that Japan had approved the sailing of American ships through to Vladivostok.<sup>1159</sup>

In answer to Ambassador Oshima's demand that he be told the true situation, Tokyo divulged that Japan had stood firmly against Russian-American trade on the basis of the current political situation. America, when questioned by Japan, had replied that it felt that such trade was a political matter between America and Russia and should cause Japan no uneasiness. To Japan's charge that this was an unfriendly act, America had invoked the freedom of the seas doctrine and had said that it could not tolerate interference with its foreign trade.

Tokyo then explained that five United States tankers carrying between 60,000 and 95,000 barrels of oil each, had entered Vladivostok from the middle of August until October 9th. In

<sup>1155</sup> III, 878.

<sup>1156</sup> III, 879.

<sup>1157</sup> III, 880.

<sup>1158</sup> III, 881.

<sup>1159</sup> III, 882.

addition, the number of Russian ships which had operated between American and the Soviet Union was nine, with an estimated total of 300,000 barrels of oil and aeroplane parts transported.<sup>1160</sup>

Conductor Hidemuro Konoye, younger brother of the Premier, who had been on tour in Europe at the outbreak of hostilities, joined Ambassador Oshima in an appeal to Prince Fuminaro Konoye for an elimination of existing Axis ill-will resulting from American shipping to Vladivostok and the American-Japanese negotiations.

Hidemaro Konoye explained that as long as the Tripartite Pact was still in active existence, Germany would be much perturbed at Japanese philandering with the Americans and would object strenuously to announcements by the Tokyo Information Bureau that intimate progress was being made in Russian-American negotiations. Mr. Konoye suggested that Tokyo explain to Germany that any negotiations with the United States that were not in harmony with the spirit of the Tripartite Treaty would be merely a political scheme and that actually there would be no change in Japan's policy.<sup>1161</sup>

#### 478. Ambassador Oshima Objects to Pro-American Statements

Meanwhile Diet Member Juji Kasai in the United States had been making anti-German, pro-American statements;<sup>1162</sup> but Ambassador Oshima was assured by Tokyo that Kasai had been warned vigorously and that close tab was being kept on him.<sup>1163</sup> However, by October 13 Ambassador Oshima, still convinced that Kasai would not reform, requested that Foreign Minister Toyoda return the offender to Japan.

The Ambassador also reported on American broadcasts which contended that Foreign Minister Matusoka had entered into the undesirable Tripartite Pact without the majority consent of the people; and that if the United States and Germany went to war, Germany would be to blame.<sup>1164</sup>

Foreign Minister Toyoda in a reply on October 14, 1941 admitted that he feared that British and United States attempts to separate Japan and Germany would precipitate a difficult situation where he himself was concerned, and he requested that Ambassador Oshima explain Japan's good intentions regarding the Tripartite Pact.<sup>1165</sup>

#### 479. Japanese-German Trade Difficulties Recur

Recurrences of trade difficulties between Germany and Japan continued to cause Ambassador Oshima much concern in view of the insufficient funds available in the exchange allotment for Japanese government purchases. Up until October 13, 1941 there had been no difficulties making payment for government orders out of the fixed allotment; but since then civilian purchases had become so large that even the government was being forced to forego placing new orders. Ambassador Oshima suggested, in order to alleviate the situation, that Germany be requested to make credit available for Japan's use.<sup>1166</sup>

On October 16, 1941 Foreign Minister Toyoda revealed that Japan's payment to Germany which had to be made by March 1943, exceeded 80,000,000 yen or 14,810,000 marks, according to German authorities. Although it was expected that by cancellations of contracts due to the war this figure would be considerably lessened, still the problem of meeting the debt was imminent. The Foreign Minister was of the opinion, however, that the German government would

<sup>1160</sup> III, 883.

<sup>1161</sup> III, 884.

<sup>1162</sup> III, 885.

<sup>1163</sup> III, 886.

<sup>1164</sup> III, 887.

<sup>1165</sup> III, 888.

<sup>1166</sup> III, 889.

agree to purchasing goods from Japan in that amount and negotiations for a provisional agreement to cover the purchases and payment of both sides were under way. The goods with which Japan bargained to supply Germany and which were to be applied on the deficit included whale oil, raw silk, and cotton thread.<sup>1167</sup>

#### 480. German Manufacturers Aid Japan's War Industries

That Japan looked to Germany for assistance in developing manufacturing techniques was shown in a series of commercial messages sent through diplomatic channels from August 8 to October 10, 1941. The necessity of Japan's producing its own steel castings caused the navy to decide to have a civilian company in Japan study the matter or to send Japanese technicians to Germany for factory training, depending upon the relative costs.<sup>1168</sup>

An explanation by the Junkers Company of Germany enabled the Japanese by August 8 to complete their investigation of the SV-11 type propeller.<sup>1169</sup> However, as late as October 6 negotiations regarding the propeller-purchase by the Hamamatsu Musical Instrument Company remained unsettled. The transfer of the manufacturing rights had been forced upon the Junkers Company by the Japanese, and the Germans insisted upon a higher price.<sup>1170</sup>

Meanwhile the Tokyo Aircraft Gauge Company had purchased patent rights for the Askania-manufactured automatic pilot. Despite the recognized urgency in learning the techniques, the War Office of the Senior Adjutant in Tokyo wired Berlin on August 30 that it was impossible to send personnel from Japan at that time; however, at least one technician from the Tokyo Aircraft Gauge Company and Engineer Yoshinari would join the Askania laboratory.<sup>1171</sup> By October 6, 1941 discussions concerning the automatic pilot compasses and the Siemens electric gauges had not been completed because of exchange currency and transportation difficulties. In regard to the automatic pilot Berlin informed the Japanese government that this apparatus was not then being manufactured and thus purchases had become impossible.<sup>1172</sup>

The Japanese Vice Minister of War on August 29 requested that Dr. Helmut Wohlthat, German commercial attaché in Tokyo, assist Japan in acquiring the "IG" patent rights from Germany. He wired the Japanese delegation in Berlin on September 5 Dr. Wohlthat's reply, that although Germany was in accord in regard to the "IG" transfer, there remained the fact that, just as Japan felt about America, Germany did not wish to goad that country at the moment.<sup>1173</sup>

Market disturbances were created in Bangkok during September because of German buying of rubber and tin. A German agent, Schmidt, had employed 100,000 bahts, sent from Shanghai via the Yokohama Specie Bank to camouflaged Chinese companies, to make these purchases.<sup>1174</sup>

Definite arrangements for paying for special universal drills from the Swiss Rumer Company through Germany were requested by Berlin authorities in a dispatch to the Japanese Vice Minister of War on September 13, 1941.<sup>1175</sup> Other Swiss manufacturing equipment was contracted by Japan through these channels.<sup>1176</sup>

<sup>1167</sup> III, 890.

<sup>1168</sup> III, 891.

<sup>1169</sup> III, 892.

<sup>1170</sup> III, 893.

<sup>1171</sup> III, 894.

<sup>1172</sup> III, 895.

<sup>1173</sup> III, 896-897.

<sup>1174</sup> III, 898.

<sup>1175</sup> III, 899.

<sup>1176</sup> III, 900-901.

#### 481. Ambassador Oshima Reports on German War Plans, October 16, 1941

On October 16, 1941 Ambassador Oshima reported that German army plans called for leaving a small observation force at Leningrad while part of the Reebuk forces advanced toward the encirclement of Moscow. Ambassador Oshima stated that nothing but annihilation faced the Russian forces in Leningrad. Meanwhile the mechanized forces having already reached Kalinin, north of Moscow, had proceeded as far as Yaroslav, approximately 250 kilometers northwest of Moscow, where the ground was already frozen thereby facilitating troop movements.

Ambassador Oshima also pointed out how ignorant the Russian army was of the true war situation in that, unaware that Germans had taken Kalinin the week before, they proceeded to transport troops for 48 hours after the city had fallen. This blunder resulted in Germany's taking many prisoners.

To the south of Moscow, infantry regiments had already arrived in Tula and mechanized troops were extending in an encircling wing eastward of Moscow. However, thawing snow and complicated forests and swamps were naturally slowing the advance of the German forces. With regard to the Karkov area, Ambassador Oshima revealed that little resistance was being met from Russian forces.<sup>1177</sup>

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<sup>1177</sup> III, 902.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(h) *Japanese-Russian Relations***482. Ambassador Smetanin Urges Support of the Japanese-Russian Neutrality Pact**

While Ambassador Hiroshi Oshima in Berlin continued to urge Japan's active support for the Tripartite Pact, the Russian Ambassador to Tokyo, Constantin Smetanin, strove to convince Japanese leaders that their only logical course lay in supporting the Soviet-Japanese neutrality agreement.

To a Russian inquiry in mid-August 1941 concerning Japan's attitude toward the German-Russian war, Foreign Minister Toyoda had replied that no change of policy was under consideration and that friendly relations between Japan and Russia would continue unless Russia relinquished any of its territory to a third power for the establishment of military bases, or permitted the sphere of a third power to be extended into East Asia, or conducted an alliance with a third power which had the Japanese Empire as its military object.

Ambassador Smetanin offered his assurance that Russia was rigidly observing the Neutrality Pact and had not even considered the actions mentioned by the Japanese Minister. Foreign Minister Toyoda, then warned that the Japanese government might view the shipping of American munitions to Russia via Vladivostok as an infringement upon the Tripartite Pact. In regard to Japan's attitude toward the German-Russian war, its foreign policy still adhered faithfully to the spirit and objectives of the Tripartite Pact.<sup>1178</sup> This comment was doubtless inspired by reports from Japanese diplomats in Rome and Berlin that the United States was meddling in Japanese affairs and exerting economic oppression on Japan.<sup>1179</sup>

**483. Japan Tells Germany Its Adherence to Neutrality Pact Is First Step Against Russia**

Foreign Minister Toyoda on August 15, 1941 informed the German and Italian Ambassadors in Tokyo of his talk with Ambassador Smetanin. The German Ambassador then discussed the apparent belief of Russia that Japan, having promised to observe the Neutrality Pact after receiving assurances on two vital points from Russia, would not enter the German-Russian war. Foreign Minister Toyoda declared that in view of the current military expansion of the Japanese Empire, the observing of the Neutrality Pact seemed a first step toward carrying out future plans against Russia which would assuredly be undertaken in harmony with the spirit and objectives of the Tripartite Pact. When Ambassador Eugen Ott asked whether this present arrangement were not merely a temporary one to restrain Russia while Japanese preparations were being completed, the Foreign Minister replied that it was.<sup>1180</sup>

**484. Mongolian-Manchukuoan Boundary Dispute Settled**

While Japan was being urged to support the seemingly divergent Neutrality and Tripartite Pacts, on August 15, 1941 Japanese and Russian representatives, engaged since June 27, 1941 in negotiations concerning the Manchukuoan-Mongolian boundary, reached a successful solution of a potentially critical situation.<sup>1181</sup>

The final signing was scheduled for September 22, 1941 and on September 20 a joint communique concerning this matter would be issued in Tokyo, Hsinking, Moscow, and Viga (Ulan,

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<sup>1178</sup> III, 903.

<sup>1179</sup> III, 904.

<sup>1180</sup> III, 905.

<sup>1181</sup> III, 906.

Bator or Urga). As the time for the final session approached, some controversy over its location arose. The Japanese army desired the location to be Dorugi while the Mongolians favored Viga. Eventually, the conference met at Harbin.

According to the Japanese representative at Hsinking, it would aid Japan's cause to have the Manchukuoans publish the proceedings of the conference as one of their official documents rather than to have the Japanese government do so.<sup>1182</sup> Tokyo replied that there were no objections to having Manchukuo make the announcements although Tokyo itself wanted to consider and decide upon a method of announcing the related material in respect to the conferences.<sup>1183</sup>

However, by October 1, 1941 Tokyo had issued the policies it had decided to adopt toward all newspapers in connection with the Harbin conferences. Newspaper releases concerning boundary settlement were to be limited to simple factual statements concerning the exchanges of notes. The subject would be mentioned only in general terms though the successful results of the conference would be stressed.

An official government statement would be published but all documents in connection with the matter would be banned from publication. New maps for the public were to represent in only a vague manner the areas involved, while any printed matter describing in detail the new boundary was to be suppressed.<sup>1184</sup> The Manchukuoan-Mongolian Border Commission completed its general arrangements by October 3, 1941. With the exception of a few changes in phraseology, the original Manchukuoan proposal concerning the 300 kilos of border was accepted.<sup>1185</sup>

The tasks of drafting the necessary documents and issuing a joint communique remained to be done, and on October 7, 1941 the Manchukuoan government issued the following communique:

"The Empire of Manchukuo and the Union of the Mongol People have set up a mixed commission to determine the boundaries between the two countries. This commission has been meeting in Harbin and at boundary locations since September 23rd. The conferences have met under favorable conditions until October ——, and the plenipotentiaries have completed a certified written report of the results of their efforts. Having done so, the plenipotentiaries have entirely fulfilled their duty."<sup>1186</sup>

On October 13, 1941 Tokyo indicated its belief that any statement concerning developments in the conferences, which had been under way since June 1941, should be limited to what had already been published in joint communiqus. In addition, no reference was to be made to the Nomonhan incident.<sup>1187</sup>

#### 485. Finland Regains Territory Ceded to Russia

Finnish success in recapturing all of its territory formerly ceded to Russia with the exception of the Hango leased territory, many small islands, and the far northern fishing areas was reported to Tokyo on September 4, 1941 by Mr. Tadashi Sakaya, Japanese representative in the Finnish capitol. Furthermore, Finland's President, Risto Ryti, had divulged to newspaper correspondents that Finland would not demand the restoration of more land than had been hers in the past. Nevertheless, it was the belief of some diplomatic officials that the territory west of the Murmansk railroad would be ceded to Finland.<sup>1188</sup>

<sup>1182</sup> III, 907.

<sup>1183</sup> III, 908.

<sup>1184</sup> III, 909.

<sup>1185</sup> III, 910-911.

<sup>1186</sup> III, 912.

<sup>1187</sup> III, 913.

<sup>1188</sup> III, 914.

#### 486. Japan Notes Stiffening of Russian Resistance

According to a report from Moscow on September 5, 1941, the failure of German aircraft to appear over Moscow for a few days had given the Russian populace increased hope; but Japanese agents reported the situation at Leningrad and Kiev to be still critical with army losses remaining high and few Russian airplanes appearing over the front lines.

Japanese sources disclosed that a feeling of discontent and contempt for the Stalin regime was manifesting itself and was undermining the confidence of the people in the propaganda which stressed the superiority of the Russian army. Though the Japanese believed that the Germans were attempting to foment a revolution, they pointed to the lack of freedom or liberty in a Russia controlled by the OGPU as evidence of the improbability of overthrowing the Stalin regime.<sup>1189</sup>

#### 487. Leningrad Is Bombed and Kiev Falls

On September 24, 1941, Ambassador Tatekawa reported from Moscow that German planes had bombed that city and also the southern part of Leningrad.<sup>1190</sup> A week later, commenting upon Russia's casual announcement of the fall of Kiev as an attempt to divert the people's attention, he stated his opinion that the disappointment and feeling of betrayal experienced by the Russian people in this regard would gradually turn into popular mistrust toward the government.<sup>1191</sup>

#### 488. Japan Protests Against Russian Floating Mines

The question of Russian responsibility for laying mines in waters near Vladivostok reached a minor crisis in September 1941 when a Japanese vessel was destroyed by a floating mine.

In spite of the fact that the Japanese government had already issued formal protests to the Russian government regarding the mining of the northern waters of the Sea of Japan, no effort had been made to remove these floating mechanical mines, with the result that a situation extremely dangerous to Japanese shipping had arisen.

On several occasions during August Japanese fishermen had come across mines drifting in the offshore fishing area in the western portion of a fishing zone. In this same area a sixty-ton fishing boat was sunk on September 1, 1941 after contacting a drifting mine. Since the number of floating mines, apparently of Soviet manufacture, was increasing, the Japanese government was forced to forbid the dispatching of sailing vessels to northern waters.

Furthermore, the Japanese government handed Soviet authorities a rigorous protest outlining the terrific losses that had been brought about by the presence of mines in these waters. Because the maintenance of a calm and normal situation in the Sea of Japan was a necessary factor in relations with Soviet Russia, it was felt that the Russian government should recognize the necessity for removing these mechanical mines; if not, additional loss might be sustained by Japanese or Third Country vessels. Japan, therefore, expected a sincere answer from the Soviet Union that would guarantee the safety of Japanese waters in the future.<sup>1192</sup>

It was further feared that if any American ships sailing in the neighborhood of Vladivostok struck one of these mines, Japan would be intimidated; therefore, a summary of the warning issued to Soviet Russia was also to be submitted to the American government for reference.<sup>1193</sup>

Although the Japanese had demanded an official apology, Ambassador Smetanin replied on September 22 that Russia in adhering to the spirit of the Hague Covenant of 1907, although it was not a signatory, had exercised caution in the laying of mines to avoid endangering neu-

<sup>1189</sup> III, 915.

<sup>1190</sup> III, 916.

<sup>1191</sup> III, 917.

<sup>1192</sup> III, 918.

<sup>1193</sup> III, 919.

tral vessels. Therefore, if Japanese vessels stayed clear of belligerent waters, they would not be sunk. Consequently, Russia considered Japan's protest to be groundless and refused to pay the indemnity demanded. Regardless of this flat refusal, the Japanese Vice Minister responded that Japan would wait for a formal response before deciding on the proper measures to be taken.<sup>1194</sup>

Another incident which caused the Japanese much concern, occurred on the morning of September 23, 1941 when the *Hanoi Maru* sighted, in the vicinity of Seisuirai, a Russian floating mine, which it immediately delivered to Rashin. While proceeding from Rashin to Vladivostok, the *Hanoi Maru* sighted another mine which was also picked up and taken back to Rashin. These events were immediately reported to the Russian Embassy in Tokyo.<sup>1195</sup>

#### 489. Japanese Intelligence Reveals Hitler's Demands on Russia Prior to German-Russian War

Japanese intelligence agents in Washington had been gathering information on the negotiations between Germany and Russia prior to the outbreak of hostilities on June 22, 1941. On September 29, 1941 they informed Tokyo of Chancellor Hitler's demands on Russia. Of the three stipulations allegedly made by Germany, Premier Stalin supposedly had agreed to the first two: (1) Germany should have access to Ukrainian oil and grain for the duration of the war against England; and (2) Germany should be permitted joint operation of the Siberia Railroad and be allowed to establish military bases in the Far East including the Vladivostok area. Premier Stalin had flatly refused the third demand that German representatives be stationed in the Russian military general headquarters.

It was then that Foreign Minister von Ribbentrop had encouraged Chancellor Hitler to believe that invasion of Russia would win the support of the remnants of the church faction and bourgeoisie and that the destruction of the Stalin regime would be an easy matter. However, as Soviet resistance had proved Herr von Ribbentrop's assumption to be erroneous, the Foreign Minister had fallen into disfavor with Chancellor Hitler, and his private intelligence organization either had been disbanded or had been taken over by the German army.<sup>1196</sup>

#### 490. Ambassador Tatekawa Reports Discontent in Russia

On September 30, 1941 Ambassador Yoshitsugu Tatekawa reported that four million refugees were moving inward from the front lines and were roaming from city to city in search of food. In spite of the rising discontent and resentment of the refugees toward the government, evident partiality was being shown to special privilege groups in the Communist party.<sup>1197</sup>

#### 491. Japanese Diplomat Supports Neutrality Pact with Russia

On October 10, 1941 the Japanese representative at Harbin reported that a telegram from Moscow to the Soviet Ambassador in Japan had stressed that Russia should not now consider surrendering to the German invader since it had endured many sacrifices and would soon be assisted by the United States and England.

The same representative suggested that because of Japan's isolation, it should maintain its neutrality and should arrange a provisional agreement upon the expiration of the present Neutrality Pact with Russia.<sup>1198</sup>

<sup>1194</sup> III, 920.

<sup>1195</sup> III, 921.

<sup>1196</sup> III, 922.

<sup>1197</sup> III, 923.

<sup>1198</sup> III, 924.

**492. Ambassador Tatekawa Recognizes Russian Strength**

Ambassador Tatekawa informed Tokyo on October 10, 1941 of the probability that should Germany bring Russia to complete surrender, the Communistic regime would be completely obliterated and a Fascist order would be set up in the country. On the other hand, the Japanese Ambassador believed that Russia was capable of enduring still heavier defeats by retiring behind the formidable Volga barrier where it could use vanquished troops and draw upon the agricultural and industrial resources in the Ural or Ob basins.<sup>1199</sup> He felt that if Germany should attack again in the spring, Russia would gradually retire to the Far East. He cannot imagine that Japan would stand by because if she had been a mere onlooker while Germany fought England and the United States, she would have to submit to whatever terms were dictated.

Ambassador Tatekawa was not convinced of Russia's ultimate capitulation, and he noted that Germany might possibly have to yield a point and concede the continued existence of Bolshevism.<sup>1200</sup> Although a severe winter would not materially effect an invasion of England or a campaign against Egypt, it might halt operations in Russia. Ambassador Tatekawa reiterated his contention that Russian forces in the Ural, when attacked by Germany, might escape a decisive defeat by gradually receding eastward, toward Japan.<sup>1201</sup>

**493. Ambassador Tatekawa Reports on War Progress (October 8, 1941)**

Ambassador Tatekawa announced from Moscow on October 9, 1941 that the Russian press had not mentioned a word regarding the German general offensive until the day of his report when it suddenly disclosed that severe fighting was going on 243 kilometers from the capitol. Another conscription had taken place on October 3, 1941 and two days later children under the age of 12 years had been removed to Chelyabinsk.<sup>1202</sup>

The desertion of Orel had severely shocked the Russian people; and Ambassador Tatekawa believed that although numerous articles had been written by both *Pravda* and *Isvestia* emphasizing the urgency of uniting to keep off the bonds of Nazi slavery, the people were resentful toward the government leaders who had permitted this defeat. He reported that anxiety and restlessness were increasing among the people.<sup>1203</sup>

**494. Ambassador Tatekawa and Staff Evacuate Moscow**

On October 16, 1941 Ambassador Tatekawa and most of his staff left Moscow for an unknown destination. Tokyo immediately sent a circular dispatch to all Japanese diplomats in foreign countries, informing them that code messages were no longer to be addressed to Moscow.<sup>1204</sup>

<sup>1199</sup> III, 925.

<sup>1200</sup> III, 926.

<sup>1201</sup> III, 927.

<sup>1202</sup> III, 928.

<sup>1203</sup> III, 929.

<sup>1204</sup> III, 930.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THOUGHOUT THE WORLD**(i) *Japanese-Italian Relations***495. The Italian Press Urges Japan to Attack Allies**

Following closely the example of Ambassador Oshima, Ambassador Zembei Horikiri in Rome urged Japan's entrance into the German-Russian conflict. On August 6, 1941 he expressed the belief that the Italian people feared a breach between Japan and the Axis. Though Roman authorities were attempting to suppress all rumors to this effect, they expected Japan to take new and direct measures for counteracting British and American propaganda which they believed was fostering these rumors of separation.<sup>1205</sup>

Ambassador Horikiri also noted that, although the Italian people had been impressed by the occupation of French Indo-China and though their newspapers had emphasized the evident strength of the Japanese Empire, some new step, such as the entrance of Japan into the war, was now required to convince them of Japan's sincerity.

In keeping with the propaganda program emphasizing Japan's military might, the Italian press had been stressing that United States and British power had been overestimated, and that under the surface the Allies had no intentions of arousing Japan suddenly but hoped to bring about its disintegration gradually. In line with this position, the Italian newspapers urged that Japan direct an assault on England and the United States; for they had stated that should the United States assist Russia by way of Siberia, they would force Japan into war against the Soviet Union. Furthermore, the Italians hoped that a general war against Russia would develop from the current situation.<sup>1206</sup>

**496. Ambassador Horikiri Reveals Alleged Plans for Hitler-Mussolini Meeting**

On August 18, 1941 Ambassador Horikiri learned from intelligence sources that Chancellor Hitler and Premier Mussolini were planning to meet somewhere in southern Russia. It was believed that this meeting would be held as a counter-action to the recent Atlantic Charter meeting of President Roosevelt and Prime Minister Churchill.<sup>1207</sup>

**497. Ambassador Horikiri Suggests Use of Anti-Russian Propaganda**

On August 22, 1941, Ambassador Horikiri commented on a news broadcast which had revealed that the final draft of a mutual aid treaty had been completed between Russia and Chungking. He suggested that the news of this agreement could be most effectively used as propaganda in accusing Soviet Russia of having violated the Japanese-Russian neutrality agreement.<sup>1208</sup>

Tokyo replied that although the veracity of this press report was under investigation, at present the authorities in Japan were not using this material in their propaganda campaign.<sup>1209</sup>

**498. Ambassador Horikiri Reports on the Italian Occupation of Croatia**

On August 28, 1941, Mr. Horikiri reviewed the Italian-Croatian situation following the occupation of Croatia's Adriatic coast on August 23, 1941, by the Italian Second Army. Since Japanese newspapermen had left Italy for Croatia early in the month in the company of Mr. Honokura of the Japanese diplomatic staff in Rome and had returned on August 25, 1941,

<sup>1205</sup> III, 931.

<sup>1206</sup> *Ibid.*

<sup>1207</sup> III, 932.

<sup>1208</sup> III, 933.

<sup>1209</sup> III, 934.

Ambassador Horikiri was able to appraise the situation from first hand information. According to the newspapermen, peace and order were being restored gradually under the leadership of the Italian Fascist Party. The country was rich in natural resources, the cities were clean, and the people were of a fairly high cultural level.

Although the Matchek faction was still strong among the peasants, increasing regard for the new regime was in evidence. In addition, the Mohammedans seemed to be acting more in unison with the Italian fascists, although it had become necessary to exercise strict vigilance over the Serbians who numbered about one million. However, Germany had already laid plans to solve the problem by exchanging Serbians for Slovenes in Serbian territory.<sup>1210</sup>

Ambassador Horikiri reported that the Croatians harbored a strong resentment against Italy because of its many exorbitant demands and the unreasonable occupation of Dalmatia. In fact, some Croats were going so far as to demand the return of the territories of Fiume and Zara.

Croatian authorities had appealed to Germany with regard to Italian pressure but with no success, since Germany replied that the matter would have to rest until the Russian-German war had been concluded. Questions pending between Italy and Croatia centered around the boundary between the two countries and the problem of trade. Although Italy had sent representatives to discuss these problems, the Croatians were delaying action allegedly because of German advice.

According to Ambassador Horikiri, German forces were encamped on Croatia's Hungarian border while the Italian forces were aligned along the Adriatic Sea. The standard of the Italian forces appeared to be far below that of the German armies which further contributed to Croatian contempt for Italy. The Croats, tending to depend on Germany as the only force that might restrain Italy in this territory, were also bitter over Hungary's seizure of some oil fields which they envisioned to be part of their territory.<sup>1211</sup>

#### 499. Ambassador Horikiri Again Urges Japan to Attack in the East

In commenting on Japan's future plans with regard to the Russo-German war, on August 30, 1941 Ambassador Horikiri stated that Japan appeared to him to be endeavoring principally to restrain Great Britain, the United States, and Soviet Russia peaceably, though it did not have the intention or the power to break immediately the encirclement of the three powers. If Japan were now armed sufficiently, nothing was to be gained by waging a war of nerves in an effort to hold off the Allied powers, because of these tactics Japan would only succeed in sharpening the enemy's vigilance and strengthening its defense, thereby causing greater sacrifices on the part of Japan.<sup>1212</sup>

Stating that he realized the value of different approaches to the accomplishment of Japan's purpose, Ambassador Horikiri urged immediate action in advancing to the south and in invading Thailand. This conformed with his previous recommendation of August 5, 1941,<sup>1213</sup> that Japan invade Russia immediately to eliminate the possibility of any future union between Great Britain, the United States, and Russia. Then Japan could deal with Great Britain and America later.<sup>1214</sup>

#### 500. Mr. Filippo Anfuso Reports on Hitler-Mussolini Meeting

On September 4, 1941 Ambassador Horikiri reported on a conference which had taken place between Japanese Counselor Yoshiro Ando and the Italian Maritime Commission Director,

<sup>1210</sup> III, 935.

<sup>1211</sup> III, 936-937.

<sup>1212</sup> III, 938.

<sup>1213</sup> III, 679-681.

<sup>1214</sup> III, 939.

Filippo Anfuso, who had recently returned from the Mussolini-Hitler meeting. From this conversation Mr. Ando learned that the Italian and German armies were operating in perfect coordination; and although the Russians appeared to be putting up stiff resistance all along the line, it was believed that the German army would reach the Caucasus by the end of the week.

When Mr. Ando had inquired as to the political questions which were discussed in the conference between Chancellor Hitler and Premier Mussolini, Mr. Anfuso replied that they had talked about fighting until final victory and had agreed to overthrow the Bolsheviks and drive the Anglo-Saxons out of Europe.

No discussion was held, Mr. Anfuso said, regarding a conference of European nations which rumors declared was to be called in connection with the question of the New Order; and he expressed his personal belief that no such conference was necessary. To the Italian Director's return query about conditions in Japan, Counselor Ando had made a satisfactory reply.<sup>1215</sup>

### 501. Italy Suspects Japan of Neglecting Tripartite Pact

On September 30, 1941, Ambassador Horikiri informed Tokyo that the Italian Propaganda department, in a seeming attempt to spite Japan and Germany, had ordered the press not to emphasize the Tripartite anniversary which had been celebrated only superficially by the government and people of Italy. In this connection, he recounted a recent incident which had taken place at the Villa Madama on the occasion of Foreign Minister Galeazzo Ciano's press conference. A Japanese press correspondent had observed that the Japanese flag was not among the other flags hung in the reception hall. After he brought this omission to the attention of the proper authorities, all of the flags were removed.

These happenings were of no little concern to Ambassador Horikiri; for they demonstrated that Italy disapproved strongly of the Japanese-American negotiations as a further indication of Japan's lukewarm attitude toward the Tripartite Pact.<sup>1216</sup>

Again, on October 1, 1941, Ambassador Horikiri in recounting an interview between Mr. Adolfo Alesandrini, Chief of the Amerasiatic Bureau, and Vice Consul Ando emphasized Italy's displeasure at Japan's recent attitude toward the Tripartite agreement. Mr. Alesandrini had made it clear that with the mounting indignation of the Italian people as well as of certain government officials, it was becoming exceedingly difficult for him to answer questions concerning Japan's intentions toward the Tripartite Alliance. Although Mr. Alesandrini was accepted as an authority on Japanese problems and though he understood that Japan's negotiating with the United States did not necessarily imply a withdrawal from the Axis, he inquired of Vice-Consul Ando concerning Japan's intentions in the matter.

Replying that he could not see that the United States-Japanese talks would harm the Axis, Mr. Ando expressed his personal opinion that in view of Japan's internal situation, all possible peaceful means should be exhausted first in the hope of reaching an agreement with the United States. The Vice Consul also explained that he did not believe that the Empire should enter into conflict unprepared as Italy had been forced to do. Mr. Alesandrini was in agreement on these points and remarked that he had made the same explanation to the Italian authorities.<sup>1217</sup>

### 502. Japan Learns of United States Representation to the Vatican

On October 8, 1941 Tokyo was advised that President Roosevelt's special envoy to the Vatican, Mr. Myron Taylor, had been sent to convince the Pope of the possibility of negotiating with the U.S.S.R. for the restoration of the Roman Catholic Church in that country. However,

<sup>1215</sup> III, 940.

<sup>1216</sup> III, 941.

<sup>1217</sup> III, 942.

the Pontiff had definitely refused, stating that although he had always been willing to promote the Catholic faith in other countries occupied by German and Allied forces, he felt that he could not trust Russia on religious matters.

Following this, it was alleged that Mr. Harold Tittman, Commercial Attaché of the American Embassy in Rome, had visited the Vatican in the hope of persuading the Pope to undertake this task but had received a negative response in spite of his offer of American and British assistance.<sup>1218</sup>

### 503. War Creates Difficulties for Japanese Exchange Students

A similar situation to that existing in Germany, where Japanese exchange students were failing to meet financial obstacles because so few successful business houses remained in Berlin and in other university towns where they might obtain part time employment,<sup>1219</sup> prevailed in Italy also during September and October, 1941. Since no objection had been incurred from the International Students' Association, Ambassador Horikiri announced on September 30, 1941<sup>1220</sup> that two students, Tsunoda and Col. Seime Shimizu, unable to remain financially independent, had decided to return home on the next evacuation steamer. Their expenses were being met by the Far Eastern Association and another unidentified organization.<sup>1221</sup>

In an effort to alleviate this situation Tokyo authorities decided to delay the departure of any students, saying that it was only in compliance with the wishes of the Far East Association that the government had been sending students to Italy alone. In this regard the Home Office requested that Ambassador Horikiri consult with Ambassador Oshima.<sup>1222</sup> However, Ambassador Horikiri chose not to consult with Mr. Oshima and replied on October 8, 1941 that although the continuance of exchange students was desirable, he could not see why they should be sent only to Italy during such critical times.<sup>1223</sup>

### 504. Mr. Virginio Gayda Urges Japan to Enter or to Threaten War on the United States

On October 8, 1941, Ambassador Horikiri conferred with Mr. Virginio Gayda, who candidly explained that Japanese-American negotiations gave the impression that Japan was pursuing its own ends and not attempting to act in harmony with the Axis. He believed that Japan must necessarily adopt a belligerent attitude to restrain America from entering the war and to assure victory for the Axis. Thus Japan would remain in control of the Orient. On the other hand, in the event that Japan did not assist Germany and Italy, Japan would be a loser at the conclusion of the war, regardless of which side should win, for it was possible that a victorious Germany might cooperate with the United States and England in oppressing Japan economically.

According to Mr. Gayda, Japan could be of great assistance to the Axis in restraining Great Britain by waging submarine warfare against British shipping thereby discouraging America's entrance into the war. The war then would be over in six months and Japan need not risk attacking Russia whose fate was already sealed.

Commenting briefly on the various aspects of the economic situation, Mr. Gayda believed that the present acute conditions in Italy would not become worse and that despite the discontent of some of the people, Italy would have no thought of peace until England had been forced into submission.<sup>1224</sup>

<sup>1218</sup> III, 943.

<sup>1219</sup> III, 944.

<sup>1220</sup> III, 945.

<sup>1221</sup> III, 946.

<sup>1222</sup> III, 947.

<sup>1223</sup> III, 948.

<sup>1224</sup> III, 949.

### 505. Ambassador Horikiri Urges Japan to Decorate Outstanding Italians

In view of the strained feelings existing on the part of the Italian government, on October 9, 1941 Ambassador Horikiri urged approval of his plan to confer Japanese decorations on various outstanding Italians,<sup>1225</sup> and particularly on Mr. Guido Rocco, chief of the foreign newspaper division of the Italian Propaganda Office. Mr. Rocco, who held several Italian medals of honor had been previously decorated by the Japanese government because of his services in behalf of Japan at the time of the signing of the Tripartite Pact and was considered of value to the Empire.<sup>1226</sup>

### 506. Ambassador Horikiri Reports on the Italian Economic Situation

On October 14, 1941 Ambassador Horikiri reported in detail concerning the economic situation in Italy.<sup>1227</sup> Pointing out that the grain harvest would be better than that of the preceding year, he indicated that the need for supplying the occupied areas outside of Italy was more difficult than the problem of supplying the people within the country. A rationing system was being applied to various foods, and government control of some commodities was in operation and would be extended. Nondefense industries were being curtailed, iron and oil supplies were limited, and great numbers of skilled workers were going to Germany. On the other hand stocks were going up, and the sale of government bonds was booming.<sup>1228</sup>

According to Ambassador Horikiri, there was much unrest in Italy because of the increasing economic controls of the government, but strong measures were being taken to reassure the people and remove their fears.<sup>1229</sup> Speculation concerning the internal collapse of Italy and rumors sponsored by the Allies relating to the possibility of a separate peace with Italy were deemed by the Japanese Ambassador to be unworthy of consideration.

Government officials in Rome were considerably heartened by the progress of the Russian war and were anticipating considerable new gains in the Near East. It was also expected that the difficult Mediterranean and northern African problems would be solved in the near future. In addition, there was a tendency to believe that the United States would not go beyond the position which she was now taking.<sup>1230</sup> However, Ambassador Horikiri commented that the anti-Italian feeling in Croatia had not become less strong than in the past.<sup>1231</sup>

### 507. Italian Envoy Urges Action by Japan

Mr. Paulucci, head of a recent Italian mission to Japan, informed Ambassador Horikiri on October 14, 1941 of Italy's belief that Japan would enter the war when Germany and Italy attacked Russia. Urging that Japan should strike immediately against Russia, Mr. Paulucci remarked that he had but two fears, one, that Italy and Germany would lose the support of Japan, and the other, that Britain and the United States might attempt to do in the Far East what they had done in the past in Europe. Japan's entrance into the war against Russia did not necessarily mean that the United States would become involved since there was a strong anti-communistic sentiment in the country. Furthermore, he did not believe that the United States had reached the stage where it could effectively fight in the war.

Mr. Paulucci also impressed Ambassador Horikiri with the fact that after Russia had been defeated, Japan would have access by land to the Axis countries and to many essential materials. Russia's resorting to guerilla warfare would not be too difficult a problem to solve once military supplies had been cut off by Japan.<sup>1232</sup>

<sup>1225</sup> III, 950.

<sup>1226</sup> III, 951.

<sup>1227</sup> III, 952.

<sup>1228</sup> *Ibid.*

<sup>1229</sup> III, 953.

<sup>1230</sup> *Ibid.*

<sup>1231</sup> *Ibid.*

<sup>1232</sup> III, 954.

In regard to Japan's plans to move southward, Mr. Paulucci explained that he felt Hitler had placed too much stock in the invasion of the British Isles, since England would lose her main fighting power only if she were to be defeated in the Near East, the Mediterranean area and in Egypt. He suggested, therefore, that it was of the utmost importance to have the German government realize at this time the importance of:

- (1) The manipulation of Turkey;
- (2) The military moves in the Near East, Mediterranean and Egypt;
- (3) Access to the Near Eastern oil.

With the accomplishment of these aims and the subsequent joining of the Axis powers by land and sea, not even the United States could compete with the power available to the Tripartite Powers.<sup>1233</sup>

#### 508. Ambassador Horikiri Objects to Ending Japanese Trade with Italy

On October 15, 1941 Ambassador Horikiri referred to the recent closing, with the exception of Mitsubishi, of all Japanese houses in Rome as compared with a mere reduction of Japanese personnel in Berlin. The Ambassador stressed the necessity of keeping the various businesses open at this time in order not to slight the Italians.<sup>1234</sup>

Ambassador Horikiri also encouraged Japan to renew the Italian-East African compensatory trade agreement for a year.<sup>1235</sup> An agreement, which would be effective from June 30, 1941 to June 30, 1942, was achieved on October 17, 1941.<sup>1236</sup>

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<sup>1233</sup> *Ibid.*

<sup>1234</sup> III, 955.

<sup>1235</sup> III, 956.

<sup>1236</sup> III, 957.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(j) *Japanese-French Relations***509. Japan Requests Increase in Japan-Thailand Plane Service**

Japan had demanded French cooperation in increasing regular plane service from Japan to Thailand, but the French had delayed in replying. According to a Japanese report of August 7, 1941, the French Attaché for Air in Tokyo could make the following counter-proposal:

- (1) a. Semi-weekly service between Tokyo, Hanoi, and Bangkok.
- b. Semi-weekly service between Formosa, Canton, Hanoi and Bangkok. Total of four north-bound lines. (Abandon the line which detoured to Saigon).
- c. Bi-weekly seaplane arrivals in Saigon.
- (2) a. The French also be permitted to operate the same number of planes over the same course.
- b. In order that contact with the French Concession in Shanghai may be established, the French planes be permitted to stop at Shanghai.
- c. Materials be made available in Japan.

The French agreed to approve paragraph (1), which was a rewording of Japanese demands, on the condition that the Japanese approve paragraph (2) of the French counter-proposal. However, in retransmitting these terms to Vichy and Hanoi, Foreign Minister Teijiro Toyoda pointed out that paragraph (1) conflicted with the original request made by Japan, and though Japan could not approve points (a) and (b) of paragraph (2), it was willing to make suitable arrangements in regard to point (c).

Foreign Minister Toyoda was anxious that negotiations be conducted along the lines of the original Japanese proposals, and he felt that Hanoi would be the best place in which to conduct them. Since two seaplane trips had already been made to transport a committee for the purpose of establishing definite boundaries, and since several more of these trips would be made, it was necessary that Japan establish a regular seaplane service as soon as possible. Further details in regard to the committee's investigating the boundary were not given at this time.<sup>1237</sup>

**510. France Asks Permission to Exchange Soldiers Between Shanghai and French Indo-China**

Tokyo announced on August 7, 1941 that, in consideration of France's request to move 350 French soldiers from the Shanghai French Concession to French Indo-China, Foreign Minister Toyoda had granted tacit consent. Although it was difficult to grant such permission to France alone, the Foreign Minister felt that Japan could allow the requested exchange of soldiers in view of the special relationship existing between France and Japan.<sup>1238</sup>

France had also asked that the French language be used for telegraphic communication between Japan and French Indo-China, in addition to Japanese, English, and German. Japan's "special consideration" to France in granting both of these requests was to be stressed when the recognition of the Nanking regime was discussed with Vice Premier Jean Francois Darlan, the Japanese Ambassador to Vichy was advised.<sup>1239</sup>

<sup>1237</sup> III, 958.

<sup>1238</sup> III, 959.

<sup>1239</sup> III, 960.

### **511. Japan Insists That France Recognize the Wang Regime**

Japan had insisted that France recognize Wang Ching-wei's government on the occasion of the signing of the Franco-Japanese agreement on July 29, 1941, but Vice Premier Darlan had promised only to give due consideration to the matter. Questioned by Ambassador Sotomatsu Kato on August 2, 1941, French Council President Bunoir Messien had replied that this question should not be discussed until public excitement, aroused as a result of the French Indo-Chinese question, had quieted down.

On August 5, 1941, calling on Vice Premier Darlan, whom he found to be away, Ambassador Kato had instead interviewed Acting Vice Minister Ernest Lagarde. The Japanese Ambassador was again advised that although Vice Premier Darlan was not opposed to the recognition, he felt that the matter should be shelved for two or three months. But Ambassador Kato replied that although the recognition "affects but one part of the Far East, the realization of this matter is of the utmost importance" and requested that France reach a speedy decision.<sup>1240</sup>

### **512. Japan Demands Further French "Cooperation"**

On August 8, 1941 a Japanese representative in Shanghai, presumably Consul General Tateki Horiuchi, pointed out that the lack of a definite policy in regard to French rights and interests in the various parts of China was confusing to Japanese officials. Since Japan had succeeded in getting the French to agree to the joint defense of French Indo-China, he thought it best to make France adopt a policy of cooperation in respect to settling the China incident. The three principal points of his proposed cooperative agreement were: (1) that the French recognize the People's Government, thereby making the position of the French officials in China clear and their exercise of power easier, (2) that France agree to Japan's right to supervise the methods of guarding French concessions, controlling materials, using French currency, and to accept the People's Government's right to make proposals concerning them, and (3) that the French withdraw their garrisons or use them jointly with Japanese garrisons for defense. He remarked that in adjusting French relations with regard to the China incident, it would be unrealistic for Japan to use gentle methods since it had just exercised strong pressure in settling the French Indo-China question.<sup>1241</sup>

### **513. Japan Attempts to Limit Its Exchange Agreement with France**

After Tokyo had granted special consideration in the interchange of French troops, Consul Horiuchi in Shanghai was disturbed to learn that the French request included relief of French forces in Tientsin and Hankow as well as in Shanghai.<sup>1242</sup> Pointing out that the original French request and the Japanese reply had referred only to the relief of the Shanghai detachment, he asked that the inconsistency between the requests made by the French in Shanghai and by the French in Tokyo be investigated.<sup>1243</sup>

### **514. Japan Plans to Send Investigating Committee to French Indo-China**

Mr. Ken Harada, of the Japanese diplomatic staff in Vichy, conferred with General Arnald on August 8, 1941, to request the cooperation of French Indo-Chinese authorities with a Japanese committee of investigation which was being sent into their area. Expressing surprise at the number of people which Japan planned to include in this group, Mr. Arnald declared that he would answer the Japanese request for permission as soon as he had conferred with Colonial Minister Rear Admiral Charles Platon.<sup>1244</sup> On August 12, after Mr. Arnald had announced that

<sup>1240</sup> III, 961.

<sup>1241</sup> III, 962.

<sup>1242</sup> III, 963.

<sup>1243</sup> *Ibid.*

<sup>1244</sup> III, 964.

the French had consented to the proposal submitted by Japan, and had agreed to send instructions to the Governor General in French Indo-China,<sup>1245</sup> Mr. Ken Harada said there was no need for the various stipulations previously requested by the French.

### 515. Marshal Petain Broadcasts to the French People

After successive French Cabinet conferences, Marshal Philippe Petain spoke at 9:00 p.m. on August 12, 1941 to the whole of France. In his address he warned the French people of their desperate economic and political situation and pleaded for understanding from the United States. Marshal Petain also announced the appointment of Vice Premier Jean Francois Darlan to the post of Minister of National Defense. He aroused a sensation by his statement that the most damage to the work of reconstructing France had been caused by the supporters of the regime of yesteryear and the supporters of the trusts who stood between him and his people, and that in order to break their power, first of all, he must strike their leaders.<sup>1246</sup>

### 516. Ambassador Kato's Opinions on Conditions in France

The Japanese Ambassador in Vichy intermittently informed his government of the internal conditions and opinions of the people in France. On August 14, 1941 he reported that the situation had grown more and more strained, with a shortage of materials, particularly of food, resulting in economic desperation and an increase in anti-German and anti-Vichy antipathy. Not only were the activities of the Free French and the Communist Party troublesome throughout both the occupied and unoccupied areas, but also the propaganda activities of England, the United States and the DeGaulists had played havoc with the "esprit français" to such an extent that the Vichy government was beginning to feel that maintaining peace and order might be beyond its power.<sup>1247</sup>

### 517. Japan Demands Rubber Supply Allotment to the United States

A Japanese demand that 5,000 tons of Indo-Chinese rubber, which had been promised to the United States, be diverted by France to Japan, caused Mr. Harada, the Counsellor at the Vichy Embassy on August 12, 1941, to confer with Mr. Arnald of the Vichy Foreign Office. The French official declared that an agreement with the United States for the rubber had already been signed, and inasmuch as it was necessary that French Indo-China maintain its trade status with America, it would be very difficult to divert the supply to Japan. It was divulged at this time that plans were being made to transport rubber to France by way of South America, and although at least a part of the rubber would have to be diverted to Germany, Mr. Arnald begged that Japan, in her demands on French Indo-China, consider the present poverty of France.<sup>1248</sup>

Possibly as a means of delaying its unavoidable compliance with Japanese demands, France asked that the negotiations be conducted in Tokyo, and protested that before diverting the rubber to Japan, the approval of the American authorities would have to be secured. France also asked that Japan advise the United States of the action which was to be taken.<sup>1249</sup>

Difficulty was foreseen in Japan's paying for the rubber, since France, already holding many transferable yen, was reluctant to receive more of this currency in payment for commodities, and, furthermore, was anxious that Japan speed up its exports to French Indo-China.<sup>1250</sup>

<sup>1245</sup> III, 965.

<sup>1246</sup> III, 966.

<sup>1247</sup> *Ibid.*

<sup>1248</sup> III, 967.

<sup>1249</sup> III, 968.

<sup>1250</sup> III, 969.

Finally, French Official Arnald disclosed on August 30, 1941 that as a result of conversations with the United States, it would be possible to transfer the requested 5,000 tons of rubber to Japan. Of the remaining 7 tons of French Indo-China rubber, the French government had decided that 4 tons would be allotted to Germany and 3 tons to Japan. Japan, however, declared that 6 tons of her required rubber would still be lacking, and requested, therefore, that if it were found impossible to ship any part of the French or German allotments for 1941, these quantities also be transferred to Japan.<sup>1251</sup>

### 518. Japanese Occupation Expenses Create Difficulty in Currency Exchange

To provide funds for the expenses of its occupation troops in French Indo-China, Japan arranged to make piasters<sup>1252</sup> available to its forces through an exchange of currency between the Bank of Indo-China and the Japanese Yokohama Specie Bank. However, it was still necessary to work out the details of exchange, and during August, September and October 1941, dispatches pertaining to this matter continued to flow between Vichy and Tokyo, and Hanoi and Tokyo.

On August 16, 1941 Ambassador Kato sent to Tokyo the terms of the exchange agreement which had been presented to him two days before by the French Foreign Office. The payment of occupation expenses was to be left to the Bank of Indo-China and the Bank of Japan, although it was suggested that when Japanese forces needed piasters, they should pay to the Bank of Indo-China the dollars of transferable yen requested by the French government, after which the Bank of Indo-China would pay out an equivalent in piasters.<sup>1253</sup>

On August 18, 1941 the Japanese Finance Ministry declared that Tokyo had been momentarily expecting receipt of funds amounting to 4,500,000 Japanese dollars, which was the payment specified in the text of the joint-defense treaty, to cover military expenses of the Japanese Army of Occupation for August. Japanese military authorities insisted that payment of the August apportionment was to be made by the night of August 16, 1941, and formal representations were to be made to the Governor General of Indo-China for the continuance of conversations on payment terms of the Yokohama Specie Band representatives.<sup>1254</sup>

Because France was not operating with money exported by Japan to French Indo-China, its holdings of transferable yen already amounted to considerable sums. For this reason France was hoping to be paid, to some extent, in gold for materials supplied to Japanese troops at Saigon. However, since France, by September 1, 1941, had consented to accept transferable yen, Ambassador Kato in Vichy asked whether Japan had already agreed to pay the full amount in gold on the spot.<sup>1255</sup>

### 519. Japan Vetoes a Proposed German Legation in Indo-China

There appeared to be no reason to establish a proposed German delegation in Indo-China, Japan informed its Ambassador in Berlin on August 21, 1941. Japan felt that the German Armistice Commission in France was sufficient, although it had no basic reason to oppose the German move. Should the German government establish such a body despite Japanese opposition, Japan would have to adopt new measures regarding the present Franco-Japanese defense cooperation.<sup>1256</sup>

In discussing Germany's motive for such action, Japan argued that the Germans had acknowledged that they had no political "claims" on French Indo-China, and that it was Japan's intention to give Germany full economic assistance in the matter of supplying necessary com-

<sup>1251</sup> III, 970.

<sup>1252</sup> The piastre, a Thaiese monetary unit, is equivalent to \$0.083692 or roughly \$.08 of the American dollar.

<sup>1253</sup> III, 971.

<sup>1254</sup> III, 972.

<sup>1255</sup> III, 973.

<sup>1256</sup> III, 974.

modities. Foreign Minister Toyoda claimed that since the establishment of a German agency in French Indo-China would needlessly complicate the "status" of French Indo-China, Japan could not favor the proposed plan. For these reasons, he asked that Germany reconsider its proposal.<sup>1257</sup>

Japan also informed its representatives both in Hanoi and Berlin that in view of the relationship existing between Japan and Indo-China, the Japanese government should be notified in case French Indo-China entered into any new permanent political relationship with another country. In this matter, it would be proper for Germany to notify the Japanese government in advance.<sup>1258</sup>

#### **520. Japan Demands French Concurrence in the Establishment of the Japan-Thailand Air Route**

After appealing to Germany for support in the establishment of plane service between Japan and Thailand as it had done before in the case of the Franco-Japanese joint-defense agreement negotiations, Japan learned from Ambassador Oshima that France, under clause twelve of the Armistice Agreement, needed Germany's permission before joining the air route, but did not require its approval of Japanese operational plans. Ambassador Oshima suggested that the question as to whether the French should join the air route be postponed, but that negotiations to have the Japanese demands recognized at once be continued.<sup>1259</sup>

On September 2, 1941 Japan demanded that an end be made to the procrastination of French Indo-Chinese authorities, who claimed that the Governor General of French Indo-China had no authority to approve the air route, unless Japan first secured the understanding of the German authorities through the Vichy government. Foreign Minister Toyoda declared that the German authorities had offered no objection, as evidenced by Ambassador Oshima's report to the Foreign Minister on August 22, 1941,<sup>1260</sup> and as a result of this, Ambassador Kato informed French Official Arnald, that France and Japan would settle the problem by themselves.

#### **521. Ambassador Kato Reports on the Attempted Assassination of Mr. Pierre Laval and Mr. Marcel Deat**

Following the shooting at Versailles on August 27, 1941 of Mr. Pierre Laval, former French Premier, and Mr. Marcel Deat, editor of the Paris newspaper *L'Oeuvre*, both ardent advocates of Franco-Nazi collaboration, Ambassador Kato on September 1, 1941 made a report to his home government on the anti-German tendencies in France. In connection with the shooting, the French government had disclosed the fact that the Communist Party had been spreading anti-German sentiment and had issued orders to aid the DeGaulle movement. Other instances of anti-German sentiment, Mr. Kato explained, were railway sabotages and the assassination of German soldiers.<sup>1261</sup>

#### **522. Japan Increases Demands for Indo-China Rubber**

Apparently not having received the wire from Ambassador Kato on the previous day to the effect that the rubber supply (5,000 tons) formerly marked for the United States could be diverted to Japan, Foreign Minister Toyoda declared on September 1, 1941 that he did not believe that any agreement concerning rubber for America had been signed, and there was no reason to obtain America's consent in the matter. Therefore, he instructed Ambassador Kato to arrange for the purchase with free yen of the 5,000 tons of rubber without any conditions

<sup>1257</sup> III, 975.

<sup>1258</sup> *Ibid.*

<sup>1259</sup> III, 976.

<sup>1260</sup> III, 977-978.

<sup>1261</sup> III, 979.

attached.<sup>1262</sup> Ambassador Kato reported that since there had been no objection from the German committee in Paris, the French had gone ahead with the export of the 5,000 tons of rubber to America.<sup>1263</sup>

Meanwhile the question of the French Indo-Chinese rubber supply was being discussed in Berlin. On September 5, 1941, in a conference with Ambassador Oshima, Vice Minister Ernst Von Weizsacker expressed Germany's feeling that the transportation of rubber to Germany from Japan had not been given sufficient consideration, since of the 25,000 tons of French Indo-China rubber marked for America for 1941, 15,000 tons had been consigned to Japan, and negotiations were then in progress for the allotment of the remaining 10,000 tons to Japan. These figures appeared to pertain to the total annual output of rubber rather than the immediate supply on hand in the French colonies.<sup>1264</sup>

Since 9,000 of the 15,000 tons earmarked for France had already been shipped, Germany decided that 4,000 tons of the remaining French shipment should be transferred to Japan.<sup>1265</sup>

By September 10, 1941 the shipment of 5,000 tons of rubber to America had been stopped, for the conversations between the United States and France regarding the French allotment were discontinued. Japanese officials in Berlin were informed of the representations which had been made to the Vichy Commercial Attaché. These were:

- (a) France is to prohibit the export to the United States in view of the close Japanese-German cooperation.
- (b) The supplementary amount to be given Japan is 10,000 tons.
- (c) The German "schedule" is approved.<sup>1266</sup>

### 523. Japan Decrees Expulsion of Hostile Chinese in French Indo-China

A warning was transmitted to Japanese representatives in Vichy and in Hanoi on September 2, 1941 that the personnel of the Chungking regime in French Indo-China would have to be expelled or imprisoned. Foreign Minister Toyoda pointed out that the activity of the Chungking regime might cause some unforeseen incident since the Japanese Army of Occupation was instructed to blockade Chungking. If the French Indo-Chinese authorities took no steps in eradicating these elements or procrastinated too long, Japan might be forced to take the initiative.<sup>1267</sup> The Foreign Minister declared that this matter was so important that instructions concerning it would be sent to the Japanese Army of Occupation in French Indo-China.<sup>1268</sup>

On September 11, 1941 the Japanese Consul at Saigon, visiting the Chief of the Bureau for the preservation of Public Peace, inquired concerning the status of Chinese consular offices. The Saigon official answered that it was not clear whether the consular offices would be closed, but that the staff members of the Ministry had been withdrawn to a city near the southeastern coast of French Indo-China with only a caretaker left in Saigon.<sup>1269</sup>

In Vichy, the removal of pro-Chungking Chinese was still being discussed. On September 16, 1941, when Mr. Harada had cited a newspaper report that the representatives of the Chungking regime were withdrawing from Saigon, Vice Minister Roshier, a French official, informed him that the French government had heard nothing to support these reports. Mr. Harada then pointed out the inconsistency of having Chungking representatives remain in the areas in which Japanese forces were stationed, and again requested that the matter be settled quickly.<sup>1270</sup>

<sup>1262</sup> III, 980.

<sup>1263</sup> III, 981.

<sup>1264</sup> III, 982.

<sup>1265</sup> III, 983-984.

<sup>1266</sup> III, 985.

<sup>1267</sup> III, 986.

<sup>1268</sup> III, 987.

<sup>1269</sup> III, 988.

<sup>1270</sup> III, 989.

**524. French Vice Premier Doubts German Propaganda**

On September 6, 1941 the Japanese Ambassador at Vichy, reporting on a conversation with Vice Premier Darlan which had been held on the previous day, said that the French Vice Premier, now also the Minister of Defense, had stated that, although Russia had had more arms and war material than Germany had estimated, three-fourths of this quantity had been lost. Since it was understood that after gaining a foothold in Leningrad, Moscow, and Kharkov by mid-October 1941, Germany would temporarily cease activity, the Vice Premier declared that he would like to see France and Germany reach some sort of settlement by that time. The French official also expressed doubt as to the authenticity of Germany's reports of the number of war losses, since the announced figure of 100,000 dead and wounded appeared to be too small.<sup>1271</sup>

**525. France Resists Japan's Insistent Requests for Recognition of Nanking**

Japan secretly informed its representatives in China that when France had recognized the Wang regime, discussions would be undertaken to reconsider the request of the French that Japan grant permission for the relief of the Tientsin detachment.<sup>1272</sup> In spite of continued pressure, Vice Premier Darlan reiterated on September 8, 1941 that although France had no objection to recognizing the Nanking regime, in view of previous French-Chungking relations, the state wished to "take more time about it".<sup>1273</sup>

**527. Japanese Official Suggests That Domei News Agency Be Admonished**

Mr. S. Baron Araki, a Japanese official in French Indo-China, who was extremely concerned about reports in Japanese newspapers that many DeGaullists, pro-British, and Americans were leaving French Indo-China, asked on September 10, 1941 that the Domei home office be admonished to exercise great care before publishing similar reports, which were nothing but the false propaganda of the British and would lead to an unpleasant situation.<sup>1275</sup>

**528. Japanese Diplomatic Staff in Vichy Experiences Privations of War**

The Japanese Ambassador in Vichy, finding it impossible to obtain fish and meat in France, informed Tokyo on September 11, 1941, that the members of his diplomatic staff were forced to be vegetarians, and had lost a lot of weight. He requested 100 cases of food of 60 cans each, as well as other items enumerated in a previous dispatch to Tokyo on July 10, 1941.<sup>1276</sup>

**529. Germany Agrees to Shipment of French Rubber to Japan**

Acting on instructions from the German government, the German Commercial Attaché informed officials in Tokyo on September 16, 1941 that Germany had agreed to send an additional amount of 10,000 tons of rubber to Japan, and also that Germany had agreed to divide equally between Japan and Germany the production increase exceeding 68,000 tons.<sup>1277</sup>

Transmitted to Vichy and Saigon for reference was the information that France had permitted the French Indo-China governor to ship 5,000 tons of rubber as the September allotment to Japan. This led the German Commercial Attaché in Tokyo, who reported this fact, to believe that the French colonies were prepared to fulfill Japan's demands after this date, just as before.<sup>1278</sup>

<sup>1271</sup> III, 990.

<sup>1272</sup> III, 991.

<sup>1273</sup> III, 992.

<sup>1275</sup> III, 994.

<sup>1276</sup> III, 995.

<sup>1277</sup> III, 996.

<sup>1278</sup> III, 997.

Information that the Yokohama Specie bank and the French Indo-China bank had effected a settlement of 500,000 Swiss francs which was to be transferred at the end of October, and 3,450,000 piasters and 1,240,000 free yen, was dispatched to Vichy on September 24, 1941.<sup>1279</sup>

### 530. Occupation Expenses Negotiations are Transferred to Diplomatic Channels

During the last part of August and the first part of September, conferences were being conducted between the Yokohama Specie bank and the Indo-China bank to complete details of the agreement to exchange piasters for American dollars, gold or free yen. By September 16, 1941, when no settlement had been reached, a communique from the Japanese Minister of Finance to Economic Attaché Yumato in Berlin disclosed that negotiations were to be transferred to the Japanese and French governments, thus transferring settlement to the diplomatic field. The Attaché was directed to cooperate in expediting the negotiations which Ambassador Kato was conducting in Vichy, and was warned to make preparations for future negotiations since Japan desired that its wishes in the matter be carried out.<sup>1280</sup>

### 531. Japan Insists that France Pay Supplementary Occupation Expenses

The Minister of Finance revealed on September 16 and 20, 1941 that Japan would soon insist that the French pay a supplementary amount for the expense of the troops stationed in French Indo-China, as had been decided upon in the joint-defense agreement.

France was to pay 66,000,000 piasters<sup>1281</sup> for supplementary expenditure for barracks, stables, depots, aviation fields, airplane hangars, supply depots, housing for various military equipment and marine transportation incurred by the Japanese Army of Occupation in French Indo-China. In explaining the itemized demand, Foreign Minister Toyoda said that the former agreement whereby France would pay 23,000,000 piasters related principally to expenses incurred in occupying the territory and did not include these new items. Furthermore, the French government was to turn over all existing barracks, warehouses, and remount depots, was to do nothing to block Japanese demands, and was to assist Japan's military establishments in every way.<sup>1282</sup>

If France were reluctant to supply the supplementary occupation expenses, it would be necessary to adopt forceful negotiations.<sup>1283</sup>

Foreign Minister Toyoda directed Ambassador Kato to enter into negotiations for the supplementary payments of 66,000,000 piasters which would be made in Japanese free gold yen or in foreign gold.<sup>1284</sup> The September and October portions of 11,500,000 piasters each were to be paid at the earliest opportunity, and action was to be taken to ensure the receiving of 21,500,000 piasters at the end of the months of November and December.<sup>1285</sup>

Foreign Minister Toyoda suggested that the question of linking the piasters to Japanese currency might be introduced, but advised his representatives not to mention the whole amount which Japan was demanding to avoid difficulties in collecting the installments for September and October.

For the further information of Ambassador Kato who was to make these demands, Foreign Minister Toyoda sent to Vichy, on September 20, 1941, the information that the Japanese occupation forces were poorly quartered, and had not been permitted to use the warehouses of the French army. Ambassador Kato was also informed that the French authorities had requested that the Indo-Chinese forces be responsible for the border regions facing China and

<sup>1279</sup> III, 998.

<sup>1280</sup> III, 999-1000.

<sup>1281</sup> The equivalent of approximately \$5,280,000 in American money.

<sup>1282</sup> III, 1001-1002.

<sup>1283</sup> III, 991.

<sup>1284</sup> The total in the Japanese dispatch reads 66,000,000 but additions to the items listed amounts to 76,000,000.

<sup>1285</sup> III, 1003.

Thailand, and that the Japanese forces be responsible for the remaining areas. From this it appeared that Indo-China was anxious not to provoke the Chinese army.<sup>1286</sup>

### 532. Ambassador Kato Reports that Germany Favors Franco-German Collaboration

In view of the fact that France desired a revision of the terms of the Franco-German Armistice, the Japanese Ambassador, for the information of his government, continued to submit reports in regard to internal conditions in France. Since Germany was confident of the outcome of the German-Soviet war, and felt no anxiety regarding the coming war with England, a member of the German Embassy in Paris said that Franco-German cooperation was to be desired, and Ambassador Kato reported that preliminary attempts had been made to achieve cooperation. Furthermore, he informed Tokyo, on September 23, 1941, that the maintaining of peace in the occupied area was hardly a problem.<sup>1287</sup>

### 533. France Delays Payment of Occupation Expenses

The Japanese Ambassador at Vichy informed Tokyo on September 23, 1941 that Mr. Arnald had reported that Saigon had made inquiry of the Tokyo Specie Bank as to the disposition of the August payment of free yen, and that until a decision had been made, France was not prepared to accept the Japanese proposal of its paying one-third (possibly this means one-third in gold and the rest in free yen) for the month of September.<sup>1288</sup>

On September 24, 1941 Ambassador Kato presented to the French Foreign Minister the Japanese demand for the payment of 66,000,000 piasters<sup>1289</sup> for the support of the Japanese army in French Indo-China. Vice Premier Darlan stated that his understanding was that the French government was to lend the money temporarily, and Ambassador Kato answered that Japan intended to repay the sum advanced by means of gold, free yen, or foreign currency. The Japanese Ambassador explained that the September and October payments required immediate action, whereupon Vice Premier Darlan immediately called the offices concerned.<sup>1290</sup>

A week later Tokyo urged its Ambassador at Vichy to impress upon the French the urgency for negotiating this matter, and disclosed that a concrete proposal for method of payment would be made in a subsequent message.<sup>1291</sup> Ambassador Kato had already informed Foreign Minister Toyoda that the main difficulty with the French concerning the occupation expenses seemed to arise from the manner in which the present economic treaty was being carried out.<sup>1292</sup>

### 534. Vice Premier Darlan Denies Seeking American Intervention

Vice Premier Darlan and Ambassador Kato discussed several items during their conversation on September 24, 1941. Because the French Vice Premier had received some very unsatisfactory reports from French Indo-China, he was anxious that Japanese Ambassador Yoshizawa<sup>1293</sup> take up his post at the earliest possible moment. Therefore, Ambassador Kato asked on September 24, 1941 that he be informed when the Ambassador would start for his office.<sup>1294</sup>

<sup>1286</sup> III, 1004-1005.

<sup>1287</sup> III, 1006.

<sup>1288</sup> III, 1007.

<sup>1289</sup> See footnote 1284.

<sup>1290</sup> III, 1008.

<sup>1291</sup> III, 998, 1009.

<sup>1292</sup> III, 1010.

<sup>1293</sup> Possibly Kenichi Yoshizawa, former Ambassador to France, serving in July, 1941 as member of House of Peers.

<sup>1294</sup> III, 1011.

Concerning the reaction of the United States to the joint-defense agreement, Vice Premier Darlan said that he had replied to Ambassador William D. Leahy who had informed him of the United States' displeasure with the pact in question, that France was taking this action after considering the respective positions of Japan and France, and he would like the United States "to stay out of this affair". He had added that since France could gain nothing by resisting Germany in Europe and since there would be no point in wrangling with Japan in the Far East, he could not understand Japanese suspicion that France had sought American intervention in the matter, especially since the United States could not help.<sup>1295</sup>

### 535. Japan Seizes a Railroad and Demands Military Installations in French Indo-China

After unsuccessfully requesting that Indo-Chinese officials transfer to Haiphong some 60,000 railroad ties which were near the Chinese border, the Japanese army seized the railway between Bandoeng and Haiphong and changed the ties itself. By September 29, 1941 Japanese forces had begun shipments over this railway.<sup>1296</sup>

On September 25, 1941 Ambassador Arsene Henry called on Foreign Minister Toyoda to discuss the demand made by the Japanese army that a building in Saigon, several factories, and hangars be transferred to it, and that the army be allowed the free use of two air fields in Cambodia. This demand was accompanied by the warning that unless France complied by September 26, 1941 these establishments would be occupied by force. Asked by the French Ambassador in Tokyo that the Japanese army be instructed to avoid the use of force, the Japanese Foreign Minister replied that he could not issue such instructions, unless French acceptance of Japanese demands was guaranteed. To avoid creating unnecessary trouble, he suggested that the French Ambassador strongly recommend to the Governor General the acceptance of the demands of the Japanese army. According to a report which had been received on September 28, 1941 from the Japanese army in French Indo-China, the Governor General had finally given in to the Japanese demands, and the question was settled satisfactorily.<sup>1297</sup>

### 536. Vichy Reports on Japanese Experimental Broadcast

On September 23, 1941 radio reception of Japanese broadcast directed to America and the South Seas was reported as favorable by the Japanese Ambassador in Vichy. However, the Ambassador advised that extreme caution be exercised in regard to some items, such as the stressing by the Japanese news agency, Domei, of the Japanese-American negotiations and the prediction of their completion, whereas all such reports were denied in America each time. He suggested that the handling of such broadcasts be left to foreign news commentators.<sup>1298</sup>

In conducting experimental broadcasts to Vichy, Tokyo learned on September 30, 1941 that the reception on only one station had been good on all three days of the experiment. Due to the existence of a powerful French broadcast using a wave length very close to the Japanese frequency, the other two stations had not been heard. In suggesting improvements, the Japanese Ambassador asked that the telegraphic messages be repeated twice, and that any sort of urgent message, which they intended to send properly later, be sent tentatively at the time of the experimental broadcast.<sup>1299</sup>

<sup>1295</sup> III, 1012.

<sup>1296</sup> III, 1013.

<sup>1297</sup> III, 1014.

<sup>1298</sup> III, 1015.

<sup>1299</sup> III, 1016.

### 537. Japanese Army Arrests Annamites in French Indo-China

Finding that the Vichy government was inclined to procrastinate in expelling or imprisoning Chungking representatives in the French colony, the Japanese army arrested more than 100 of the Annamites in Hanoi and Haiphong on September 25 and 26, 1941.<sup>1300</sup>

Since, according to *The Central China Daily News* of September 1, 1941, the Nanking government had assumed police supervision of the French concession at Hankow,<sup>1301</sup> and since France officially protested, it was logical that an inquiry concerning the arrest of the Annamites in French Indo-China should originate in Nanking.

On October 2, 1941 the Chinese Foreign Office announced that the French Embassy Councilor had apologized for a Japanese raid on the Chinese Consulate General in Hanoi, French Indo-China, thus assuming responsibility for the Japanese arrests in an attempt to assure French sovereignty in French Indo-China.<sup>1302</sup> In protesting such action, and in requesting the release of the pro-Chungking Chinese, the French had termed the action an indisputable violation of French sovereignty.<sup>1303</sup>

A communique, originated on October 2, 1941 by Lt. Col. Sakuji Hayashi of the Japanese Sumida organization, to answer the charge that the arrests were a violation of French sovereignty, declared that Japan had repeatedly demanded the expulsion of the leaders of the anti-Japanese Chinese residents, and this request had for six months been repeatedly ignored. Since the Japanese claimed that the Annamites and pro-Chungking Chinese were not only attempting to get hold of Japanese army secrets, but were preventing the Chinese residents in French Indo-China from becoming friendly to Japan, the Japanese army found it necessary for reasons of self-defense to take emergency measures. Since France had recognized the Japanese occupation of French Indo-China, it should recognize any action which in the interest of self-defense was incidental to that recognition.<sup>1304</sup>

### 538. German Ambassador Suggests Use of French Annamite in Japanese Sabotage Plans

The German Ambassador in Berlin suggested on October 2, 1941 that a French Annamite who had been living in Germany be issued a Japanese passport for the purpose of a brief visit to Japan. The Annamite, Pierre Fauquenot, was found to be a person whom Japan could use in its policies toward French Indo-China, having been imprisoned since December, 1939 in France. As the former editor of *L'Alerte*, a French language newspaper published in Saigon, he had been arrested because he had advocated that Japan and French Indo-China join hands. For this reason the German Ambassador felt that Japan should both protect him and treat him hospitably regardless of what its policies toward French Indo-China happened to be. Other plans regarding Mr. Fauquenot included his going to Japan on board the *Asama Maru*, his working in Japan for a time and his returning eventually to French Indo-China where he would be valuable in the furthering of Japanese Schemes.<sup>1305</sup>

### 539. Japan Plans Use of Transferrable Yen or Gold in Exchange Payment

On October 3, 1941 Ambassador Kato was instructed to negotiate in the matter of French payment to Japan after considering the following points concerning the exchange of currency: American, British and Dutch currencies, being frozen, could not be utilized; the balance of Swiss franc funds, being small, could be procured only through the "free yen block"; Japan was reluctant to offer marks, since it owed marks to Germany; the procuring of funds in Italy

<sup>1300</sup> *Facts on File*, 1941, p. 380.

<sup>1301</sup> *Facts on File*, 1941, p. 349; See Volume II, Part C, "Hankow Incident," pp. 517-519.

<sup>1302</sup> *Facts on File*, 1941, p. 388.

<sup>1303</sup> III, 1017-1018.

<sup>1304</sup> III, 1018.

<sup>1305</sup> III, 1019.

was attended with difficulties; the Portuguese and Spanish currencies had not been used recently, and consequently, funds in these currencies were very small. The payment could be made in gold, since Japan's holding of this had reached a comparatively large sum, and it was believed that French Indo-China preferred settlement in gold, although there was also the possibility that the fear of inflation would bring a request that payment be made in commodities which could not be supplied in a hurry.<sup>1306</sup>

#### 540. Japan Requests Additional 100,000,000 Piasters for Occupation Force

On October 4, 1941 an additional request of 100,000,000 piasters to be used for the maintenance expenses of the Occupation Force between January and December 1942, was transmitted to Ambassador Kato for presentation to the French government. It was estimated that between January and March 1942, the Japanese army in French Indo-China would require 30,000,000 piasters,<sup>1307</sup> or approximately 10,000,000 piasters<sup>1308</sup> per month.<sup>1309</sup>

Apparently having sent to Tokyo an explanation of the fixed rate of exchange for the purchase of gold by the Bank of French Indo-China, Ambassador Kato was instructed on October 7, 1941 to wire more details in connection with this matter since his previous explanation had not permitted Tokyo to reach a correct understanding. The Japanese Ambassador was also instructed to inform Tokyo immediately as to how much this official rate differed from the Japanese fixed rate.<sup>1310</sup>

Exerting more pressure on Vichy to secure the additional 66,000,000 piasters formerly requested as a supplementary payment for the support of the Japanese Occupation Force in 1941, Tokyo advised Ambassador Arsene Henry of the revision of the itemized account of billeting costs, aviation facilities, supply department, and shipping facilities, and urged him to recommend its acceptance. Ambassador Kato was directed to present the revised estimate to the Vichy government, and to negotiate immediately for a settlement.<sup>1311</sup>

#### 541. Japanese Official Carries Secret Documents to Hanoi and Saigon

Precaution was taken in the sending of Mr. Ryuta Ono, Secretary of the Foreign Office, from Kobe to Hanoi on October 6, 1941. It was asked that Japanese officials in Hanoi facilitate his passage through customs, and ensure that the documents for Saigon were dispatched immediately by reliable mail.<sup>1312</sup>

#### 542. Japanese Ambassadors Suggest Decorations for German Diplomats in Vichy

On October 7, 1941 Ambassador Oshima requested that Japan consider the conferring of decorations on German Ambassador Heinrich Otto Abetz and his staff in Vichy, in view of the assistance extended to the Japanese Embassy in Paris during the joint defense negotiations. The First Class Order of the Rising Sun was suggested for the Ambassador, as well as other decorations suitable to the positions of his staff members.<sup>1313</sup> The Japanese Ambassador in Vichy echoed this request on October 15, 1941 when he transmitted the information that the

<sup>1306</sup> III, 1020.

<sup>1307</sup> Approximately \$2,400,000 in American money.

<sup>1308</sup> Approximately \$800,000.

<sup>1309</sup> III, 1021.

<sup>1310</sup> III, 1022.

<sup>1311</sup> III, 1023.

<sup>1312</sup> III, 1024.

<sup>1313</sup> III, 1025.

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information that the Italian government planned to confer decorations on Germany's diplomatic staff at Vichy in the near future, and suggested that Japan also recognize the group.<sup>1314</sup>

### 543. France Accedes to Japanese Demand for Additional 10,000 Tons of Rubber

On October 9, 1941 Mr. Arnald informed Mr. Harada that France had decided to comply with Japan's desires for an increase of 10,000 tons of rubber, 7,000 of which were to be taken from the portion destined for America and 3,000 tons of which were to come from increased production. Mr. Arnald also expressed the hope that Japan would not oppose the export of 3,000 tons of rubber to America. The Japanese representative replied that he did not know whether his government would accept this proposal, but that he would transmit it to Tokyo.<sup>1315</sup>

For the purpose of further expediting the rubber question, along with other matters, which would have a bearing on the negotiations scheduled to be held at Vichy in January 1941, Minister Iwataro Uchiyama arrived at Hanoi on October 13, 1941. Tokyo announced that Ambassador Yutaka(?) Yoshizawa would depart for his post in mid-November.<sup>1316</sup>

### 544. France Protests Against Japanese Demands for Dapuko Barracks

At the insistence of the Governor General of Indo-China, Tokyo was informed on October 16, 1941 of the details of "a grave incident" which arose in connection with a request to quarter Japanese troops at Dapuko, an important military and ammunition center of the French colony. Lt. Col. Hayashi of the Japanese Army said that if this request were refused, the barracks at Hanoi would be seized, which statement was later withdrawn on the order of Lt. Gen. Shijiro Iida, who said that sending troops into Hanoi would be contrary to the joint defense agreement. Lt. Col. Hayashi asserted that he had a direct promise that Japanese troops would be quartered at Dapuko, but Col. Rene-Marie Jouan, Commander of the Indo-Chinese forces, maintained that French Indo-China could not permit Lt. Col. Hayashi to use the military barracks at Dapuko, and denied that the promise was anything but an offer for houses in the neighborhood.<sup>1317</sup>

### 545. French Indo-China Fears Collapse of Financial Structure

After negotiating with French officials in Hanoi concerning the payment of the 66,000,000 piasters by France which was also being negotiated in Vichy, Minister Uchiyama reported that French Indo-Chinese authorities were not so much concerned with how to make the payment, but with the possibility of the colonies' small-scaled financial structure being upset by the expenditure of such a large sum of money. Since the question of payment was an urgent matter, the Governor General had requested that Japan submit a proposal in writing. On Ocboer 16, 1941 the Japanese official asked permission, in compliance with French Indo-China's request, to submit a proposal ostensibly as his own, but derived from his official instructions.<sup>1318</sup>

<sup>1314</sup> III, 1026.

<sup>1315</sup> III, 1027.

<sup>1316</sup> III, 1028.

<sup>1317</sup> III, 1029.

<sup>1318</sup> III, 1030.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(k) *Japanese-Chungking Relations***546. Chungking Leaders Open Southwestern Military Conference**

According to schedule, Chungking National Government authorities met and opened the southwestern military conference at Kweiyang in the province of Kweichow August 2, 1941. Pai Chunghsi, Commander-in-Chief of the Ninth Route Army, was in charge of activities in which military representatives from the provinces of Kwantung, Kwangshi, Yunan, Kweichow, Runan, and Szechwan participated.

These conference delegates were scheduled to decide such questions as (1) the strengthening of control on military transportation in the southwest; (2) the defense of the Yunan, Kwangshi and Kwantung Provinces, and (3) the organization of a general British-Chinese counter offensive.<sup>1319</sup>

Following the opening ceremonies on August 2, 1941 and the rendering of Generalissimo Chiang Kai-shek's speech of instructions, Pai Chung-hsi summoned several leading nationalists together, including the Kwantung Army Commander and the Commanders of the Kwangshi and the Nineteenth Route Armies for a conference. Should British authorities request aid, it was decided at this meeting that China would send an army of 15,000 men into Burma.<sup>1320</sup>

According to Japanese intelligence reports this southwest meeting was to be followed by a northwest military conference which would be held in Tienshui, the capitol of Kansu Province.<sup>1321</sup>

**547. Japanese Intelligence Discerns American-British Aid to China**

On August 6, 1941 the Tokyo radio broadcast an intelligence report from Berlin concerning the increased severity of the bombing of Chungking since January, 1941. Incendiary bombing in particular, having been stepped up, was expected to have a profound effect on morale in the Chungking area. This report also revealed that approximately one hundred American fighter planes and four hundred American airmen had been transported to that capitol in May.<sup>1322</sup> Another intelligence report of August 11, 1941 from Shanghai divulged that fourteen air bases were to be constructed in September with the help of America, Britain, and Russia.<sup>1323</sup>

**548. Transportation Experts Visit China**

In China at this time was Mr. Daniel Arnstein, one of the three American transportation experts who had been commissioned to improve facilities along congested traffic routes. From a newspaper reporter, who, shortly after talking with Mr. Arnstein, returned to the United States, Consul Muto in San Francisco learned of the existing conditions in the Chungking territories.

According to Mr. Arnstein, roads between the Iashio and Yannanfu districts had been in exceptionally bad repair; but under the supervision of United States Army engineers, a paving job had already been undertaken. Using 10,000 tons of asphalt and 4500 American-made trucks, thirty-two American engineers were supervising the task of completing transportation

<sup>1319</sup> III, 1031.

<sup>1320</sup> III, 1032.

<sup>1321</sup> III, 1031.

<sup>1322</sup> III, 1033.

<sup>1323</sup> III, 1034.

facilities, policing, and repairing communications lines. As a result of such activity, by September 8, 1941, transportation capacities for one month had been doubled to approximately 30,000 tons.<sup>1324</sup>

#### 549. Japanese Demand That Macao Authorities Halt Allied Smuggling

Having received orders from the Japanese Foreign Minister on June 28, 1941 urging that they file a protest with the local government of Macao, southern seaport in China, requesting strict surveillance of all activities associated with smuggled material to Generalissimo Chiang Kai-shek's forces,<sup>1325</sup> the Japanese chiefs of the army and naval general staffs in Canton discussed steps to be taken, in a meeting on August 19, 1941. Protests regarding the stopping of pro-enemy activities were to be filed by Acting Consul Fukui. In the event that these representations were rejected, it was decided that Japanese ships would blockade the southern coast.<sup>1326</sup>

These details of the demands which were presented to the Macao government included:

- (1) A ban on all shipment of goods into enemy territories via the unoccupied coastal region;
- (2) Constant supervision of the port of Macao to prevent smuggling;
- (3) Complete cooperation of the Macao government in according necessary facilities and protection to the Japanese within its territory;
- (4) The closing of all organizations connected with the Chungking regime;
- (5) The disbanding and prosecution of all espionage organizations; and,
- (6) The suppression and punishment of members of enemy firms and transportation companies as well as the suppression of anti-Japanese propaganda, opinions, newspapers, societies, et cetera.<sup>1327</sup>

However, it appeared that Macao authorities had not acceded to these demands by September 16, 1941; for Japan had already taken steps to enforce its threat. On that date a Japanese military patrol boat in the Macao harbor fired on a Portuguese official's patrol boat without warning and despite its clear displayal of the Portuguese flag. The Portuguese government immediately protested to Japan, but by October 13 Tokyo had made no answer.<sup>1328</sup>

#### 550. Chinese Communists Take Advantage of British-American-Russian Conferences to Present Demands

Japanese intelligence reports indicated to Tokyo that Chinese Communists Chen Shao-yu, Lin Piao, Lin T'su-han, and Lin Po-chao had decided to leave Yunan-Fu in Shensi by plane for Moscow on November 24, 1941. By taking advantage of the British-American-Russian conference, they planned to maneuver a favorable turn in the boundary dispute. These Chinese Communist leaders had sent a wire to the American representative at Chungking, Owen Lattimore, assuring him that they favored joint negotiations among Great Britain, the United States, and Soviet Russia and stating that their demands included: (1) legitimate existence status as well as recognition of equal treatment for the Communist army; (2) the development of the northwest section; (3) the reorganization of the National Association for Assisting the Administration; and, (4) the abolition of the Right Wing of the anti-Communistic platform. Chau En-lai, another Chinese Communist leader, had previously discussed these demands with Mr. Lattimore.<sup>1329</sup>

<sup>1324</sup> III, 1035.

<sup>1325</sup> III, 1036.

<sup>1326</sup> III, 1037.

<sup>1327</sup> III, 1038.

<sup>1328</sup> III, 1039.

<sup>1329</sup> III, 1040.

### 551. Mao Tse-tung Promotes Communist-Nationalist Relations

Another spy report located Communist Mao Tse-tung at Hami on August 19, 1941. On August 19, 1941. On August 25 he was observed to be leaving that city for Moscow. During his stay in Hami, it was believed that he had been occupied with the promotion of Nationalist-Communist relations.

Now that he was in Moscow on September 4, 1941, Mao Tse-tung was expected to conclude a compromise of all problems between the Nationalists in China and the Communists in Moscow. It was believed that he would attempt to obtain from the Russian capitol additional equipment and instructions for Communist forces, as well as the development of a concrete joint policy between Chinese and Russian forces. While in Moscow, he planned to work out the details of future anti-Japanese strategy and the role to be played in this strategy by the Communists.<sup>1330</sup>

### 552. Chinese Educator Believes Anti-Communist Faction will Impede Joint Russo-Chinese Military Action

Japanese officials considered many sources in coordinating their intelligence on the Chinese-Russian collaboration and found it of importance to record on September 1, 1941, an observation by a Chinese educator, Huang Yen-pei, who had discussed the joint military action between Russia and China at a dinner meeting in Hongkong. Mr. Yen-pei believed that joint military action between Russia and China would formally be agreed upon with the aid of Great Britain and the United States. On the other hand, he explained that the anti-Soviet faction in China feared Russia and was following the opportunistic policy of compromising with Japan while at the same time advocating anti-Japanese resistance.<sup>1331</sup>

### 553. Chinese Educator Claims Only Anti-Japanese Encirclement Policy will Save Chungking

Mr. Huang Yen-pei also stressed the fact that United States aid to China was not reaching advanced bases in time to accomplish its purpose. Citing as an example two hundred American planes which had been shipped to China, he pointed out that it took two days to assemble each plane, thus making it a year before the entire two hundred could be used in the war. This left many American-trained pilots without effective employment.<sup>1332</sup>

In addition, the Chinese government continued to put pressure on the Chinese Communists. The best troops were still far behind the front lines, and the so-called anti-Japanese counter attack was labelled by Mr. Yen-pei as nothing more than propaganda.

Nothing, he said, would save Chungking but the formation of an anti-Japanese encirclement policy by Great Britain, the United States, and Russia. Mr. Yen-pei also expressed his fear that civil war might exhaust China should Moscow fall and Russian support of Chinese Communists be withdrawn. Apparent friction between Communists and Nationalists throughout China made the danger of a split within the government seem imminent.<sup>1333</sup>

### 554. Japan Detects Growing Anti-Communist Sentiment in Nationalist Headquarters

Many indications of increasing anti-Communistic and pro-German sentiments among Chinese Nationalistic leaders were observed by Japanese agents. In a report from Shanghai on September 6, 1941 a plan recently adopted by Chungking General Headquarters was revealed as advocating the spread of propaganda to condemn Chinese Communist activities which were considered subversive and impeding the continuation of the war against Japan.

<sup>1330</sup> III, 1041.

<sup>1331</sup> III, 1042.

<sup>1332</sup> *Ibid.*

<sup>1333</sup> *Ibid.*

The unification of the various armies and the increase of the power of the Nationalist forces were included in the plan, as well as the diplomatic policy of appearing to be in line with England and the United States while secretly sealing amicable relations with Germany and Italy. This plan called for an attack by Chinese government troops upon Indo-Chinese troops.<sup>1334</sup>

### 555. Chiang Kai-shek Encounters Opposition to Establishment of Southwestern Military Headquarters

On September 12, 1941 Japanese agents in Shanghai revealed that Chiang Kai-shek had already laid plans for the establishment of military headquarters for southwestern territories in Kunming. In view of the fact that the Generalissimo met with opposition from some of his commanders who opposed a southward movement by the central army, Chiang Kai-shek's plan was said to have ended in failure. When the Generalissimo had telegraphed to Haku Su-ki, one of his officials in Kunming, to organize military headquarters in that city, the official asked that the Generalissimo himself visit the southwest to direct the establishment of the military base.<sup>1335</sup>

### 556. Chicago Times Writer Labels Russian Aid to China Insignificant

As Japanese officials continued to measure the significance of Chinese-Russian relations, they learned in a dispatch from Moscow the opinion of a *Chicago Times* reporter, regarding Russian aid. The reporter believed that only an insignificant amount of help had come from Russia to Chiang Kai-shek, although he had observed that many Russian troops were stationed in the Chinese border towns of Suchow, Lanchow, and Hami.<sup>1336</sup>

### 557. Chinese Pilots Train in American Camps

Not only was the infiltration of United States officers into China noted in Japan,<sup>1337</sup> but the transfer of Chinese officers to America for training was also taken into consideration. On September 22, 1941 Tokyo transmitted a report that one hundred and twenty Chinese Air Corps officers had embarked for the United States aboard the *U.S.S. President Pierce*.<sup>1338</sup>

### 558. Chiang Kai-shek Is Skeptical of Peace Talks

According to a message from Nanking on September 26, 1941, Chiang Kai-shek did not intend to be "wheedled" into a peace with Japan by the United States and even when Chien Yung-ming, prominent financial adviser, recommended that a peace be culminated with the Nipponese, he had responded unenthusiastically. Although the Generalissimo was apparently in favor of concluding hostilities, Chien reported, he believed it improbable that a lasting peace could be formed with the untrustworthy Japanese; for should Japan sign an agreement, it would be used only to afford time to strengthen their forces and to return to a more devastating bombardment of Chungking.

Continuing his conversation, Mr. Chien Yung-ming revealed that he would warn Chiang once again when he made a trip to Chungking on September 30, 1941 of the urgent necessity for making peace, but he was convinced that such a warning would go unheeded.

In regard to Japanese-American negotiations, Chien Yung-ming revealed rumors that the United States was not advising the Chinese through their Ambassador, Mr. Hu-shih, about the Hull-Nomura conversations.

<sup>1334</sup> III, 1043.

<sup>1335</sup> III, 1044.

<sup>1336</sup> III, 1045.

<sup>1337</sup> III, 369.

<sup>1338</sup> III, 1046.

Another rumor which had been circulating in Chungking involved the evacuation of Japanese troops. Supposedly the United States had advised that it would be satisfied if Nipponeese troops were removed from the Honan province alone and that troops might be retained in Hopei. At that report Chiang Kai-shek had become quite angry and made the claim that he had captured Lang Chow on September 18.<sup>1339</sup>

### **559. Japan Considers Possibility of Sabotaging the Socialist Conference With Four Changs**

An additional force operating on the complex Chinese scene was the so-called "Four Chang Movement", which advocated peace on all fronts. This organization, depleted by the death of its fourth Chang, Chang Lei-luan, was, according to Japanese agents in Peking, soon to be approached by Lu Ting-kuei, Shanghai's Secretary of the National Socialist Party.

It was pointed out by Japan's Peking representative that since the National Socialist Party was currently in such a vulnerable position the possibility of a scandal would be injurious to the party's reputation. Since a meeting of the party had been scheduled for the near future, it seemed possible that the Japanese agents were plotting to strike additional confusion into the already complex Chinese front.<sup>1340</sup>

### **560. Japanese Intelligence Locates Chungking Armies in Burma Territory**

On September 30, 1941 Chinese informants revealed that considerable damage had been done to Burma in the August 15 bombardment. The Southwest Development Company warehouses and approximately one hundred trucks had been destroyed, while over sixty persons had been killed.

They reported that the Chinese were camouflaging their Sixth Armored Division motor equipment to appear identical to the yellow-painted Burmese vehicles. British and American private military cars were also observed in conspicuous numbers in this area.

Although Chinese troops had moved into Burmese territory along the Lashio route, it was difficult for Japanese agents to tell them from native Burmese troops because of the similarity of the uniforms.<sup>1341</sup>

### **561. Chungking Voids Existing Legal Tender**

Japanese spies learned that Chungking authorities were planning to prohibit the circulation of all old legal tender currently circulating in China, and that they were planning to import printed money from the United States before the end of the year. According to a Canton report to Tokyo on October 2, 1941, Japanese authorities would counteract this move by forbidding the use of Chungking-authorized legal tender in all of the occupied areas.<sup>1342</sup>

### **562. Lanchow Agreement Is Concluded—Lattimore Reports to Chiang Kai-shek**

Apparently the contemplated plot to sabotage the Communist-Nationalist coalition meeting had been abandoned by Japanese officials, for on October 4, 1941 results of the Northwest Military Conference at Lanchow were transmitted to Tokyo. As it was expected, at these meetings the Communists had submitted their demands for partial reorganization of the government of China and of the Council for Political Assistance. They had also asked for complete payment of the military stipends due the army, the cessation of anti-Communist activities, and the formation of a national united front. After reaching the decision to secure a guarantee for the agreement from the United States, Great Britain, and Russia, the conference had been adjourned.

<sup>1339</sup> III, 1047.

<sup>1340</sup> III, 1048.

<sup>1341</sup> III, 1049.

<sup>1342</sup> III, 1050.

On September 29, the United States representative, Owen Lattimore, returning to Chungking, reported to Generalissimo Chiang Kai-shek on the results reached at Lanchow. While conferring with the Gernalassimo, he asked that the three visiting Allied representatives be appointed as guarantors to the Lanchow agreement.

Mr. Lattimore then attempted to obtain the varied opinions of numerous parties and factions in Chungking regarding the proposal made at Lanchow for reorganization of the Council for Political Assistance.<sup>1343</sup>

Twice weekly Mr. Lattimore held regular conferences with Generalissimo Chiang Kai-shek, at which times Japanese authorities believed that he was discouraging any hope in the success of the Japanese-American negotiations and that he was urging Chiang Kai-shek to stiffen his defense in the northeast and at the same time to conclude a military alliance with Russia.<sup>1344</sup>

According to the previously-mentioned Japanese report of October 4, 1941, it had been decided at Lanchow that the Nationalist and Communist parties should meet formally at Sian by the middle of December, and that in preparation for this conference, Mr. Lattimore, Mr. Chang-Chung, who was Chief of the Military administration in Chungking, Chang Tsu-chung, Commander of the 38th Division, and two other representatives would work together towards establishing an understanding among the various parties and factions. With this purpose in mind Mr. Lattimore had gone to Hankow on September 26, 1941 while Feng Yu-siang and Hu Tsung-man remained in Lanchow to discuss strategy for lessening antagonism between Communist and Nationalist parties.<sup>1345</sup>

### 563. Japanese Interprets Communist-Nationalist Truce

According to Japan's interpretation of these conferences, the secret of the temporary truce between the Nationalist and Communist groups was that negotiations were underway in Moscow. On September 21, 1941, according to a dispatch from Shanghai, Chiang Kai-shek had sent Commissar Stalin a letter suggesting joint defense of Inner and Outer Mongolia and a strengthening of the northwestern forces under the leadership of the Red army.<sup>1346</sup>

On the other hand, by October 2, the Japanese had concluded that any Communist-Nationalist truce would only be a temporary compromise made at the behest of the United States. The Nipponeese leaders could not believe that such a cessation of hostilities would be of long duration since it was illogical that the Communist leaders would relax their demands for any length of time or refrain from anti-Japanese provocative activities. According to the Japanese, the Communist party would never undertake joint action with the Chiang regime since it was nurturing the desire to overthrow the Nationalist Party and to supersede it. Thus, since the economic situation was becoming increasingly dangerous, Japan predicted civil war within Nationalist China and professed to believe that Chiang-Kai-shek himself was profoundly worried over current events.<sup>1347</sup>

At this time some factions in Japan grasped the possibility of taking advantage of the Nationalist-Communist strife, and by promoting an anti-Communist program as part of Japanese policies, they might, by sympathizing with the Chiang regime, be able to tender a peace offering. However, for the time being any mention of a peace settlement would be to no avail.

Rumors had been spread that a neutral faction originating in Shanghai of certain serious minded persons, was attempting a peace movement but was sympathizing with neither Chiang Kai-shek nor with Wang Ching-wei. It was believed that some influential members of the

<sup>1343</sup> III, 1051.

<sup>1344</sup> III, 1052.

<sup>1345</sup> III, 1051.

<sup>1346</sup> III, 1053.

<sup>1347</sup> III, 1054-1055.

Chiang regime were in sympathy with this movement and were negotiating secretly with authorities in Shanghai.

Tokyo learned that the Nationalist Chinese had been waiting anxiously for the outcome to Japanese-American negotiations; for there had even been rumors to the effect that Chiang Kai-shek himself would sign a reconciliation with Japan if the United States would but give the word. This statement, according to the Japanese, was attributed to the fact that the Chinese people had suffered through four years of war and were now faced with civil strife. Since the Japanese believed that the Chinese war could have but one ultimate victor, it was only natural for the Chinese to hope that Japan and America would successfully conclude negotiations and that peace between the two Oriental nations might be achieved.<sup>1348</sup>

On October 6, 1941 Tokyo compiled an analysis of a report on the internal conditions of the Chungking forces. This message sent to Washington revealed that Chungking winter offensive of the previous year had failed and that the fourth period of preparations for a spring offensive was underway. In lieu of an out and out frontal attack, it seemed that Chiang Kai-shek was following a special strategy of propaganda to create confusion behind the lines and to promote partisan warfare. According to Japanese reports, the entire front was divided into eleven sectional fronts. The Chungking army consisted of 292 divisions, 200 of these being under direct control of Chiang Kai-shek. Recent investigations by the Japanese army had revealed that of these divisions manpower and equipment had declined 70 to 80%. Special note was made of the deterioration of qualifications for officers based on an examination of 2,500 prisoners. The examination had revealed that 500 had never finished primary education and only 62 of the total were graduates of colleges.<sup>1349</sup>

The survey showed that 1,500,000 recruits were needed annually to replenish the 200 divisions of the first line. Japanese authorities appeared amazed that Chinese front line commanders should have been given false battle reports from Chiang's headquarters. As in many cases these leaders were told that the Japanese army had been damaged excessively. These reports were greatly exaggerated. The Japanese believed that Chinese officers were refusing to obey orders from Chiang Kai-shek. Of 16,200 prisoners who were asked why they were not satisfied with the war of resistance against Japan, it appears that the majority complained of pay difficulties while others believed that the longer they continued resisting Japan, the more susceptible to communism they would become. The fact that there had been an increase of forces surrendering to the Nanking regime only emphasized the fact that Chinese officers were undecided as to the merits of continuing the war of resistance.<sup>1350</sup>

#### **564. Proposal for Four Power Drive Against Japan Is Rejected by Moscow**

Another suggestion of the Chungking leader met defeat at the Kremlin when a scheme to use Anglo-American-Soviet meetings in Moscow for disrupting Japanese-Russian relations in order to turn all four nations against Japan was rejected. The Russian Ambassador, Alexander Smenovich Payushukin, had objected to the publication of an editorial about to be published in a Chungking paper. This editorial had dealt with the promotion of the above-mentioned scheme, and after Ambassador Payushukin pointed out that it too clearly portrayed the real situation between China and Russia, the article was never published.<sup>1351</sup>

#### **565. Tokyo Analyzes China's Financial Crises**

As Tokyo explained the Chinese economic situation on the bases of intelligence summaries in a dispatch to Washington on October 2, there was an urgent need for financial and eco-

<sup>1348</sup> III, 1056.

<sup>1349</sup> III, 1057.

<sup>1350</sup> III, 1058.

<sup>1351</sup> III, 1053.

nomic assistance to the Chungking government. Since expenditures were expected to reach 15,000,000,000, Japanese analysts predicted that 12,000,000,000 would have to be paid by the banks of China by printing additional tender. Considering the fact that Chinese banks were already expected to issue 5,000,000,000 over the sum currently in circulation, nothing but bankruptcy could possibly result within ten months unless foreign loans were obtained.

The purchase of bonds had not solved the situation, which had been growing steadily worse since April 1941; and as a result, by October 2, the Chiang regime was rapidly putting into effect the following:

(1) "The transference of the finances of the Chiang regime to the capital (this is to be carried out from October; thereafter, all expenses in the province will be met by revenue from the provinces only).

(2) "The collection by the Chungking Government of rice revenue and the payment in kind of rice revenue at the ratio of one yuan to one "sito". Half of the revenue will consist of the unhulled rice. This will go into effect from September 16.

(3) "Issuing of *ryo shoku koken* (regarding this, the Government will issue an order on September 4 with 30,000,000 goku of stored rice as a basis. The purchase is to be made in installments during a period of five years, 30% by means of legal tender and 70% by means of "koken").

(4) "The establishment of government monopolies, (Sales monopolies of tea, salt, wine, tobacco, sugar, and matches are being planned).

(5) Absorption of funds from Shanghai and Hongkong (the tendency at present is for funds to blow back from the interior)."<sup>1352</sup>

## 566. United States Representatives Arrive in Chungking to Solve Economic Problems

In support of these negotiations and in the interest of the financial and military position of Chungking, Major General John Magruder, head of the United States Army commission to China, and his party of six arrived in Hongkong from Manila October 5<sup>1353</sup> and flew to Chungking on October 9. Apparently there was a total of thirty representatives, of which thirteen, including British Finance Counselor Hall-Patch, and Special Envoy Chen Kuang-fu, had already arrived by mid-September in Hongkong where they were to be joined by Mr. Fox, the American Financial Adviser to Chiang Kai-shek, and were to meet with the currency delegation commission.

The advance party supposedly had completed arrangements for an observation tour of key industrial and military areas. It was scheduled that, following the tour, some members would remain in Chungking and others would be posted at various fronts for a considerable length of time to keep Chungking authorities advised of practical methods for meeting the critical situation faced by the Nationalist government. In preparation for any crisis these representatives would study military supply as well as Japanese army tactics. In addition, they would assist in improving Chinese air fields. Apparently, shortly after the American party reached Chungking, Russian representatives would also arrive in the Chinese capitol to discuss the possibility of a Japanese attack upon Russia.

Also, in order to discuss all points of the problem of military cooperation with British and American authorities, Chinese representatives were dispatched to the Philippines.<sup>1354</sup>

The presence of Henry Francis Grady, the United States Economic expert and presidential adviser at Hongkong, who on October 10, 1941 was returning to America, had indicated to the Japanese that the United States was investigating methods of obtaining raw materials for military purposes. At this time tungsten and hog bristles, among other materials, were being

<sup>1352</sup> III, 1054.

<sup>1353</sup> III, 1059.

<sup>1354</sup> III, 1060-1061.

delivered secretly to Hongkong by airplane as well as being transported along the Tumen Route. Apparently the United States was also planning to send large transport planes of four to seven ton capacity to increase such traffic.<sup>1355</sup>

#### 567. U.S.S. President Coolidge Unloads Troops and Tanks at Unidentified Chinese Port

On October 8, 1941 a circular dispatch originating in Shanghai revealed that a member of the crew of the *U.S.S. President Coolidge* had stated that his ship had been convoyed by a cruiser and an armed tanker from Manila to an unidentified port in China where they unloaded 54 tanks and 2400 men. According to the Japanese report, local American naval authorities had banned the publication of this activity.

American ships sailing from the United States to Siberia were soon to be armed. Inquiries made by Japanese in Shanghai had divulged that each ship's armament would consist of four 14-centimetre guns and an armed guard crew of one officer and twenty four enlisted men.<sup>1356</sup>

#### 568. Japan Believes American Loan Is Reason for Visit of United States Representatives

On October 9, 1941 Major Philip Cochran, an American representative, accompanied by Sir Otto Niemeyer, director of the Bank of England, arrived in Hongkong by clipper from Manila with three other members of the American military mission who were en route to Chungking.<sup>1357</sup>

According to another Japanese spy report, the purpose of at least one of the visiting American parties was to consider the loan of \$200,000,000 to Chungking to bolster Chiang Kai-shek's finances. One group was also to investigate Chungking's financial situation and was to include an English and an American member, cognizant of international treaty policies, to service as financial advisors to the Generalissimo.<sup>1358</sup>

#### 569. Japan Promotes the Establishment of Independent Mohammedan Area

A Peking dispatch on October 8, 1941 revealed that for three years the Nipponese had been conniving with an influential Mohammedan leader, Ba Tei Ken, from the Kansu and Ningho area, for the establishment of an armed and completely independent Mohammedan territory. Contributions for this project in conjunction with the military authorities were garnered from interested patrons who made payment to Counsellor Watanabe, the Japanese representative in Nanking.<sup>1359</sup>

#### 570. Japan Anticipates Peace on China Front

Having captured the Lunhai Railway and designated it as the border line between North and Central China, Japanese experts reported that by October 7, 1941 they had materially strengthened their control over North China. Not only had they created a greater dependency upon Japan, but by capturing Ting-Chou simultaneously with Changsha they had struck a profound blow to Chungking. With such progress being made, they were convinced that establishment of peace along the entire front was not far from realization. It was also agreed that there would be no withdrawal from the captured territories, as such a move would be giving Chungking material for propaganda.<sup>1360</sup>

<sup>1355</sup> III, 1062.

<sup>1356</sup> III, 1063.

<sup>1357</sup> III, 1064.

<sup>1358</sup> III, 1065.

<sup>1359</sup> III, 1066.

<sup>1360</sup> III, 1067.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD****(1) Japanese-Nanking Relations**

In the months following the official recognition of the Peoples' Government by Germany and the Axis-controlled countries of Europe, Tokyo supervised a reorganization of the political and economic systems then in existence at Nanking.

**571. New Bank Notes Pay Custom Taxes**

Among the major problems confronting Nanking at this time were the stabilization of its currency and the payment of debts. As a means of partially alleviating this financial condition, on August 8, 1941, the Japanese Finance Bureau ordered that the payment of customs taxes on salt and sugar be made in new bank notes after September 1, 1941. Japan had been continually advocating such a measure; therefore it did not come as a surprise to Chinese officials and no objections were anticipated. In the meantime a committee made other decisions on the future currency policy to be maintained.<sup>1361</sup>

**572. Nanking Clarifies Its Duties Toward China Concessions**

At the same time that adjustments to the financial status were being effected, the Nanking government sought to clarify its political position in relation to China. On August 12, 1941, officials of the Nanking government requested that the Japanese Foreign Minister define more explicitly Nanking's duties toward Chinese concessions. From their current information the duties connected with the execution of concession policies appeared to be merely auxiliary and were to be performed by the officials in China. Under the rules and regulations of the East Asia Reconstruction Bureau which had been given to Ambassador Nabuyuki Abe, these auxiliary duties came under the supervision of the Japanese Prime Minister and therefore an attempt to interpret them in any but a traditional manner was not permissible.

However, now that the Peoples' Government had received official recognition, the authorities inquired whether Nanking's duties toward Chinese concessions were transferred to the cognizance of the Japanese Foreign Minister. If not, Nanking believed that the East Asia Reconstruction Bureau had been given too much authority in the interpretation of concession responsibilities. Yet, while Tokyo actually formulated Nanking's policies, for all outward appearances, the Peoples' Government appeared to arrive at a decision under its own initiative.<sup>1362</sup>

**573. Ambassador Honda Asks to Retain His Present Status**

Fearing that the various proposed plans for an overall reorganization of the Peoples' Government would effect his position as Japanese Ambassador to Nanking, Mr. Kumataro Honda requested that Tokyo authorities influence Wang to reconsider any tentative change in his present official status. Because of the close contact he maintained with the developing situation in southern China, Ambassador Honda believed that he would be of more immediate value to Nanking if allowed to remain on duty in China.

In transmitting the record of this conversation to Nanking on August 14, 1941, the Japanese official in Tokyo pointed out that Ambassador Honda would be difficult to replace in the Japanese government. Therefore, if Ambassador Honda could be used effectively in the revised administrative set-up of Nanking, it was requested that he not be transferred. At

<sup>1361</sup> III, 1068.

<sup>1362</sup> III, 1069.

the same time, however, Tokyo realized that if President Wang Ching-wei considered the matter past reconsideration, then Ambassador Honda was not to agitate for reinstatement through other sources.<sup>1363</sup>

The afternoon of August 14, 1941 President Wang stated his decision regarding Ambassador Honda's position by explaining that any change in the administrative system inevitably necessitated a transfer of certain Foreign Office officials. No one would be replaced until definite replies of acceptance were received from respective successors. However, it was definite that Ambassador Honda would be reclassified in accordance with the new policies set forth by the Peoples' Government.<sup>1364</sup>

#### 574. Japanese Offices in Central China Received New Code

During these governmental changes in Japanese controlled China, it was particularly important that security precautions be strengthened and strictly enforced. In order to supply various Japanese offices in Central China with the new Yoo code, Secretary Nishida of the Japanese Embassy at Nanking sailed aboard the *Yawata Maru* from Kobe on August 18, 1941. After arriving at Shanghai where Japanese officials were to facilitate his passage through the customs inspection, Mr. Nishida planned to spend several days there explaining the use of the new code system to the telegraphic office.<sup>1365</sup>

#### 575. Nanking Fears Interception of Its Messages by Chungking

Japanese awareness of the necessity for safeguarding their communications was further evidenced on August 20, 1941. Fearing that their defective code system increased the danger of Chungking's interception and decryption of messages, Nanking proposed that its use be discontinued between Tokyo and Nanking. Instead, all telegraphic communications were to be sent simply in the customary telegraphic systems.

Meanwhile, the Japanese Foreign Office and the Minister of Communications conferred on the settlement of all problems connected with the transmission of code messages.<sup>1366</sup>

#### 576. Nanking Army Refuses to Interfere with Problem Concerning Custom Officials

A few days later, on August 22, 1941, a political problem, undoubtedly proving the necessity for this increased security consciousness involved the Peoples' Government at Nanking. Apparently, the Nanking army had been offered some voice in the personnel questions affecting Japanese custom officials. But the Nanking Army Headquarters wired the North China army that in view of the present international situation, it preferred to leave such problems to Foreign Office officials. Therefore, the army was not to establish any group within the Special Affairs organization for the purpose of supervising customs.

Regarding the appointment of customs authorities, Nanking did offer one suggestion. Relying on information previously obtained from Peking, an official of the Peoples' Government proposed the exchange of Itaro Ishii and Mr. Koyamada in their respective positions.<sup>1367</sup>

#### 577. Japan Negotiates Peace Terms with Shansi Army

About this same time Japan was concerned with another situation in which the political and military aspects were greatly related. In the early summer of 1941 the Peoples' Government conducted negotiations for the surrender of the Shansi army and the transfer of its allegiance from Generalissimo Chiang Kai-shek's forces to those of Japan. However by

<sup>1363</sup> III, 1070.

<sup>1364</sup> III, 1071.

<sup>1365</sup> III, 1072.

<sup>1366</sup> III, 1073.

<sup>1367</sup> III, 1074.

August 22, 1941, preparations for the terms of the peace treaty were still largely in the preliminary stages.

Nevertheless, the Japanese official in Peking, Mr. K. Hayashi, informed Tokyo that Mr. Yen Hsi-shan, Chief of the Military Commission and head of the Shansi army wished to sign an agreement with Japanese forces without delay. To complete the many necessary details, Mr. Tuchida, Staff Officer of the Japanese First Army, had arrived in Enan in the Shansi Province on August 19, 1941 in order to confer with the Chief of Staff Tsukiyama. Mr. Yen Hsi-shan was particularly anxious to complete negotiations with Japan because his faction had already severed connections with the central military authorities, and as a result about 10,000 troops of the Southern China Army had invaded territory under his domain.<sup>1368</sup>

#### **578. Nanking Requests a Military Allotment from Japan**

To meet the growing requirements for a standing army of its own, Nanking realized it would be necessary to obtain funds for training and equipment. Japan originally proposed extending a yearly allotment to the newly organized National government. Since the Nanking government lacked both military establishments for the proper training of its officers and sufficient weapons, President Wang suggested that the allotment for 1941 be used chiefly in alleviating these military deficiencies.<sup>1369</sup> Therefore, Nanking requested a 50,000,000 yen loan to cover the supply of military equipment. Although Major General Sadaaki Kagesa, acting Japanese military adviser, reduced the proposed loan to 10,000,000 yen before submitting it to the Foreign office through the General Army, he was in favor of using the money in this manner.<sup>1370</sup>

#### **579. Japanese Consul Generals in China to Meet in Conference**

In view of these numerous developments affecting Japanese-occupied China, the Foreign Minister initiated preparations for a conference of the Japanese Consul-Generals in China. That a definite date might be set for the meeting, Shanghai wired Tokyo on August 26, 1941 for further information. Unless more urgent matters interfered, Shanghai further suggested that an intelligence meeting, to be held about September 20, supplement the conference of the Consul-Generals.<sup>1371</sup>

The following day Minister Shinero Kuro Hidaka informed the head of the East Asia Bureau that the business and intelligence meeting was tentatively scheduled, pending the approval of the directors, for September 24 through September 26, 1941, in Nanking. After discussing the advisability of this meeting with the China Affairs Board, the director of the East Asia Bureau was expected to communicate with Minister Hidaka.<sup>1372</sup>

#### **580. Japan Freezes Foreign Currency in Chinese Reserve Bank**

One of the chief problems existing between Japan and the sections of China under its control evolved from a Japanese order freezing foreign currency in the Chinese Reserve Bank. To exchange the frozen funds into special yen currency would necessarily affect the reserve holding in the Japanese National Treasury since it would mean Japan's making good any loss the Chinese suffered by it. Therefore, on August 30, 1941 Tokyo definitely stated that no action would be taken to rescind the freezing measure.

Nevertheless, the Japanese government realized that unless some of the conditions arising out of the freezing order were alleviated, the reserve bank's credit would suffer and its oper-

<sup>1368</sup> III, 1075.

<sup>1369</sup> III, 1076.

<sup>1370</sup> III, 1077.

<sup>1371</sup> III, 1078.

<sup>1372</sup> III, 1079.

ations might cease. Therefore, the officials of the Chinese Reserve Bank planned to confer on methods of relieving the situation.<sup>1373</sup> However, Japan was aware that the question could not be entirely settled by such a meeting since Tokyo officials desired to turn the problem into a situation advantageous to their own government. Furthermore on August 30, 1941 it was suggested that Nanking use this opportunity to force China to institute policies of exchange and loans which would increase its cooperation with, and dependency upon, Japan.<sup>1374</sup>

### 581. Shanghai Restrictions on Gasoline Impede Japanese Military Transportation

At the same time that it began strict enforcement of this freezing order against China, Japan was suffering under a similar measure imposed upon it by Shanghai officials. Before the order freezing Japanese assets and the passage of strict export rules had been put into effect at Shanghai, the Nanking Petroleum Guild purchased refined gasoline from the Shanghai Foreign Oil Dealers for distribution to Chinese and Japanese military officials and civilians. However, beginning August 28, 1941, the oil dealers prohibited the sale of Shanghai gasoline for redistribution to the interior with the result that Nanking's supply of petroleum was estimated to be sufficient for only one month.

Because this order impeded the transportation of principal commodities throughout occupied China, Nanking officials informed Tokyo on August 30, 1941 that in cooperation with military authorities, the Peoples' Government considered effecting counter-measures against Shanghai. In order to carry out such measures successfully, Nanking asked the Foreign Minister to inform the East Asia Development Company in central China regarding the existing situation.<sup>1375</sup>

### 582. Berlin Appoints German Officials in China

It was particularly important during this period of economic and political crisis that Japan reinforce its diplomatic relations with Germany. After Berlin's official recognition of Nanking, the German government and the Japanese Embassy conferred on the appointment of Germans to serve as honorary Chinese consuls and on the protection of German nationals in China. On September 1, 1941 the German Charge in Nanking informed Minister Hidaka of this discussion.<sup>1376</sup>

### 583. Shanghai Sets Date for Intelligence Meeting

With this steady progression of international affairs reaching a peak in September, Shanghai sent a dispatch to Tokyo on September 3, 1941 definitely scheduling a date for the Japanese intelligence meeting,<sup>1377</sup> which had been previously set for September 20, 1941.<sup>1378</sup> In order that the special intelligence official being sent from Moscow might attend, the meeting was to be held from September 29 to October 2, 1941.<sup>1379</sup>

A few days later on September 5, 1941, Mr. Hiroshi Hori sent word to Counselor Tashiro that the Consul Generals from Manchukuo, Tientsin, Peking, Hankow, Canton, Hongkong, Nanking and Shanghai would attend this intelligence meeting.<sup>1380</sup>

<sup>1373</sup> III, 1080.

<sup>1374</sup> III, 1081.

<sup>1375</sup> III, 1082.

<sup>1376</sup> III, 1083.

<sup>1377</sup> III, 1084.

<sup>1378</sup> III, 1078.

<sup>1379</sup> III, 1084.

<sup>1380</sup> III, 1085.

#### 584. Japanese Official Observes Conditions in North China

In the meantime Mr. Chu Min-yi, Nanking's Minister of Foreign Affairs, stopped at several cities in occupied China, including Tientsin and Peking, in order to report on the existing conditions in northern China when he returned to Japan, where he was unofficially connected with the Embassy. While on this trip, Minister Chu Min-yi was scheduled to visit Commander Okamura and possibly Director Shiozawa. Therefore on September 4, 1941, Nanking requested that the military authorities and liaison officials of the East Asia Development Company be instructed to assist him.<sup>1381</sup>

#### 585. Japan Seeks Ratification of Treaty with Shansi Army

With preparations underway for meetings to consolidate Japan's political hold over its positions in China, the agreement confirming the surrender and incorporation of the Shansi army into the Nanking puppet forces neared completion. Secret information forwarded from Mr. Sakaji Hayashi on September 5, 1941, revealed that in order to clarify the understanding and to have it ratified, representatives of the Japanese and Shansi forces were to confer on September 8, 1941. Colonel Tadeo Hongo of the North China army, leaving for Taigen on September 11, 1941, was scheduled to present the details of the agreement.<sup>1382</sup>

Shortly after this conference, a dispatch to Tokyo disclosed that Mr. Matsutaro Tanabe, Chief of the General Staff of the Japanese North China Army, Mr. Sigezaki and Mr. Tsukiyama, Staff officers of the Japanese First Army, Mr. Tsuchida, Mr. Hayashi and the Governor of the Shansi Province had assembled to discuss the final plans with Shansi army officials represented by Mr. Chao Chen-shou. But in spite of the efforts made to reach a satisfactory arrangement at that time, numerous problems requiring settlement by a specially designated committee of Japanese and Chinese experts prevented the signing of a definite treaty. Questions involving the Northwestern Business concern and the Do Ho Railway were pending. More important still was the request of the Shansi army to have their forces increased to approximately 300,000 or more men fully equipped with military supplies and with funds.<sup>1383</sup>

However, since Japan intended to use this Chinese army mainly for its political rather than its military significance, it was doubtful if the Shansi forces would ever be actually reenforced. For Japanese purposes the value of the proposed treaty lay in the effect it would have on both Mr. Yu Hsueh Chung, Governor of the Hopeh Province and member of the military commission of the Nationalist government, and on Mr. Fu Tsuo I, Chairman of the Suiyuan Province and Commander of the 37th Chinese division. Tokyo further hoped that the surrender of the Shansi army and its adoption of Japanese policies would influence the Chinese traders who had financial interests in the Shansi Province.<sup>1384</sup>

In view of Japan's motives, Japanese officials requested that Mr. Yen Hsi-shan formally announce the break with Chungking and the signing of the armistice agreement with Japan. But until the Shansi army had been distributed into the various sections to unite with Japanese forces and until the problems of the Central and Eighth Route armies had been settled, Mr. Yen Hsi-shan refused to publicize the forthcoming treaty.<sup>1385</sup>

Although the terms of the final agreement had not been decided upon, the Nanking government on September 12, 1941 informed Tokyo that over 1,000,000 yuan would be disbursed to the Shansi army. If this force went to war with China, President Wang Ching-wei intended to grant Commander Yen Hsi-shan the position of Chairman of the Military Council and Vice-Chief of the Nanking government.<sup>1386</sup>

<sup>1381</sup> III, 1086.

<sup>1382</sup> III, 1087.

<sup>1383</sup> III, 1088.

<sup>1384</sup> *Ibid.*

<sup>1385</sup> *Ibid.*

<sup>1386</sup> III, 1089.

### **586. Japan Extends Loan for Central China Operations**

As negotiations with the Shansi army achieved satisfactory results, Tokyo meanwhile became concerned with other operations in China. After studying the expenditures necessary for central China, on September 9, 1941, the Japanese government decided to extend a 30,000,000 yen loan. Funds were obtained from foreign loans and reparation moneys that had been accumulating in the six affiliated banks in northern China since March 30, 1941 when Japan established the National government in Nanking. Although definite conditions for drawing on these funds were to be decided for each separate case, the Yokohama Specie Bank was responsible for lending the money. That part of the foreign loan money which was accumulated through the Shanghai Maritime Customs was held in Chinese currency as a special reserve fund of the six banks.<sup>1387</sup>

### **587. Japanese Official Reviews Chinese Reserve Bank Problem**

Because of the large amount of money used in the extension of its war with China and the distribution of loans to Japanese-subsidized China, the Tokyo government realized the necessity of maintaining financial stability. For that reason, the problems arising from the freezing of the foreign currency in the Chinese Reserve Bank were given careful consideration.<sup>1388</sup> The delay in the business dealings of their bank inconvenienced the completion of Japanese transactions as well. Therefore, on September 11, 1941, Mr. Kazaro Aoki, the economic adviser to the Japanese Embassy at Nanking, went to Shanghai in order to check the effectiveness and adaptability of the proposed settlement plans. The East Asia Development Bureau was kept informed of all developments.<sup>1389</sup>

### **588. Nanking Ambassador to Leave for Post in Germany**

While Nanking's economic and military problems occupied much of Japan's attention during this period, its diplomatic affairs were not neglected. As a result of the international situation, and by an agreement with the British government, Japan dispatched the *Asama Maru* from Yokohama on September 20, 1941 to pick up Japanese evacuees from Europe. Since the ship stopped at Lisbon, Tokyo seized this opportunity to suggest that Mr. Li Sheng-wu, Nanking's newly-appointed Ambassador to Germany, and his official party take passage aboard this ship.<sup>1390</sup> But the *Asama Maru* was not scheduled to dock at Shanghai; therefore, on September 9, 1941, the Japanese government advised that the Nanking Ambassador be prepared to embark at an appointed port.<sup>1391</sup>

Certain complications arose when Japan realized that in order to reach their posts in Germany and Italy from the port at Lisbon, the Nanking officials must necessarily pass through countries which had not recognized this Japanese state. For that reason Nanking became concerned over the possible difficulty of securing the proper visas.<sup>1392</sup>

Mr. Li Sheng-wu was apparently not ready to leave Nanking at this time. Therefore, on September 12, 1941, Nanking wired Tokyo that only members of the Ambassador's staff would sail aboard the *Asama Maru*.<sup>1393</sup>

<sup>1387</sup> III, 1090.

<sup>1388</sup> III, 1080-1081.

<sup>1389</sup> III, 1091.

<sup>1390</sup> III, 1092-1093.

<sup>1391</sup> III, 1093.

<sup>1392</sup> III, 1094.

<sup>1393</sup> III, 1095.

### 589. Japan Concerned over Delay in Appointing Nanking Ambassador to Italy

Since these preparations were underway for sending the new Nanking Ambassador to Berlin, Mr. Yoshiro Ando, a counselor at the Japanese Embassy in Rome on September 12, 1941 called on Mr. Prunas, a member of the Italian Foreign Office, to inquire about Italy's delay in approving the appointment of a Nanking Ambassador. In reply Mr. Prunas blamed the numerous details relating to the establishment of the New Order in Europe. Furthermore, he assured Mr. Ando that the Italian government had no objections to such an appointment and would act on the matter immediately.<sup>1394</sup>

Apparently, however, no action had been taken by September 16, 1941; for on that date Nanking asked that Tokyo use its influence in procuring the necessary agreement with Rome in order that the new ambassador might sail with other officials of the People's Government aboard the *Asama Maru*.<sup>1395</sup>

The evening of September 17, 1941 the Japanese Foreign Office received a confidential report from the Italian government. Although the appointment was yet to be confirmed by the political council, Mr. Go Gai Sei<sup>1396</sup> would probably be named as Nanking Ambassador to Italy.<sup>1397</sup>

### 590. Berlin Appoints German Officials to Nanking

While Nanking arranged for the establishment of embassies in countries recognizing its government, the Axis nations reciprocated by sending diplomatic officials to Nanking. Since a regular German Ambassador could not be sent in the immediate future, on September 16, 1941, the Berlin government announced the appointment of Mr. Fischer as a German Charge d'Affaires.<sup>1398</sup> Although it was anticipated that a regular German Ambassador would not be stationed in Nanking for many months, on September 23, 1941, Tokyo disclosed that Mr. Henrich D. Stahmer expected to be given that position. In a discussion with Mr. Shun-ichi Kase, Mr. Stahmer stated that as soon as the necessary arrangements were effected, Berlin would publicize this decision.<sup>1399</sup>

### 591. Nanking Ambassador Delays Trip to Germany

Yet if Germany's official diplomatic relations with the Peoples' Government apparently progressed ahead of schedule, this did not hold true of Nanking's plans. Unforeseen circumstances forced the Nanking Ambassador to delay his own trip. Therefore, on September 25, 1941, Mr. Li Shen-wu informed Mr. M. Fischer, the German Charge d'Affaires, that for the time being a secretary was being sent to act in the capacity of commercial attaché in Berlin.<sup>1400</sup>

However, in order to complete plans for the departure of other Nanking officials to Germany on September 25, 1941, Nanking asked to be kept informed of the *Asama Maru*'s sailing schedule from Yokohama.<sup>1401</sup> By October 1, 1941, Nanking had completed the list of reservations that it desired to make aboard the ship. The diplomatic staff to be aboard included Minister Li and his daughter, Secretaries Tang and Feng accompanied by their families, and several other secretaries and attendants.<sup>1402</sup>

<sup>1394</sup> III, 1096.

<sup>1395</sup> III, 1097.

<sup>1396</sup> Kana Spelling.

<sup>1397</sup> III, 1098.

<sup>1398</sup> III, 1099.

<sup>1399</sup> III, 1100.

<sup>1400</sup> III, 1101.

<sup>1401</sup> III, 1102.

<sup>1402</sup> III, 1103.

## **592. President Wang Seeks Information on Japanese-American Relations**

Although its activities were closely allied with and dependent upon these Axis-dominated countries, Nanking did not lose sight of the important effect that the Japanese-American situation would have on the Peoples' Government. For that reason when requested for an interview which would undoubtedly entail a discussion of these relations, President Wang asked Tokyo for advice regarding the attitude to be adopted. Mr. Wang recalled that Prime Minister Konoye had been pessimistic because of the unpromising turn in diplomacy. However, by the end of September, 1941, Mr. Wang hoped that subsequent developments had thrown a new light on the existing problems.

Particularly interesting to President Wang was the United States' stand on the Chinese incident. When interviewed, Mr. Wang insisted that his government did not object to United States' participation in a settlement of the Japanese-Chinese war providing that its peace proposals did not aim at the overthrow of Japan's New Order in East Asia.<sup>1403</sup>

## **593. Germany Appoints Pro-Japanese Diplomats in China**

Meanwhile, Nanking-German diplomacy became increasingly favorable and by October 2, 1941, Berlin had chosen a new staff of pro-Japanese diplomats to serve in occupied China. As had been expected,<sup>1404</sup> Mr. Stahmer was appointed Ambassador to Nanking upon the personal recommendation of Chancellor Adolph Hitler who believed him capable of complete cooperation with Japan. Although engaged in diplomatic work since the establishment of the Ribbentrop office, the present appointment was Ambassador Stahmer's first as a foreign diplomat.

Because of his enthusiasm for the Tripartite alliance, Ambassador Stahmer was anxious to suppress the old type of German diplomat in China. However, certain officials believed that the type of German diplomacy previously characterizing relations with China was deep rooted and therefore would clash with the newly-appointed ambassador. Possibly for that reason, the German government chose other well-established officials to work with Ambassador Stahmer in administrating German affairs in Nanking. Mr. Erich Boltze, former counselor to the German Embassy in Tokyo, and Mr. Johannes Borchers, former Consul-General in New York, were transferred to the Embassy in China. Mr. M. Fischer became the German Consul-General in Shanghai.<sup>1405</sup>

## **594. Tokyo Arranges Reception for Nanking Officials Going Abroad**

In order to raise the prestige of those Nanking officials reporting to their Embassies abroad, the Peoples' Government arranged with Tokyo on October 3, 1941 for a special reception to be given before the sailing of the *Asama Maru*.<sup>1406</sup>

Since the sailing schedule of the *Asama Maru* remained indefinite,<sup>1407</sup> the Japanese anticipated several days in which to continue instructing the Nanking staff on their duties in foreign countries.<sup>1408</sup>

## **595. Chungking Investigates Rumors of Shansi Army Surrender**

Despite the efforts of the Shansi army to keep secret its peace negotiations with the Japanese forces, an intelligence report transmitted from Shanghai on October 13, 1941 revealed that the Chungking military committee was sending five spies to investigate the rumors that Commander Yen Hsi-shan had transferred his allegiance to the Nanking government. These spies were prepared to enter Nanking secretly by way of Hongkong and Shanghai.<sup>1409</sup>

<sup>1403</sup> III, 1104.

<sup>1404</sup> III, 1100.

<sup>1405</sup> III, 1105.

<sup>1406</sup> III, 1106.

<sup>1407</sup> III, 1107.

<sup>1408</sup> III, 1106.

<sup>1409</sup> III, 1108.

**596. President Wang Takes Active Part in Japanese-American Negotiations**

As Nanking's various economic and political situations grew to international importance because of their relation to Japan, President Wang increased his interest in the progress of Japanese-American relations. In a letter to Prime Minister Konoye sent in October, 1941, via Consul-General Hidaka, Mr. Wang asked for information regarding this matter. In his message Mr. Wang summarized diplomatic conversations among Mr. Hidaka, Admiral Koga and himself in relation to the United States.

A later dispatch on October 16, 1941 revealed that President Wang's motives regarding this problem were governed by the desire to have the Nanking government officially consulted in any agreement reached with Washington. Actually Mr. Wang wanted Nanking to be part of any alliance between Japan and the United States. Tokyo found Mr. Wang's demands justifiable, and Japan agreed to contact Nanking on all future details involving occupied China.<sup>1410</sup>

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<sup>1410</sup> III, 1109.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(m) *Japanese Netherlands East Indies Relations***597. Zoku Nomoto Instructs Telegraphic Clerks in New Code Systems**

During August Japan enforced stricter measures to safeguard the secrecy of its plans. Since these additional security precautions had resulted in more complicated code and telegraphic duties, Mr. Yutaka Ishizawa, the Japanese Consul-General, in Batavia suggested on August 6, 1941 that Mr. Zoku Nomoto be permitted to remain in that city for a few months in order to instruct Mr. Yamaguchi and other telegraphic clerks in the new Japanese code systems. Mr. Ishizawa urged that his government be prepared for any emergency.<sup>1411</sup>

Later in the month Japanese offices throughout the world were furnished with the new code which Mr. Nomoto was teaching to Japanese communicators in Batavia since it was replacing the old code.<sup>1412</sup>

**598. Japanese Finance Officials Negotiate for Circulation of Japanese Currency**

Since the circulation of Japanese funds had been greatly curtailed by the Netherlands Indies freezing order, Mr. Masatsune Ogura, the Japanese Minister of Finance, and the authorities of the Yokohama Specie Bank were anxious to conclude some agreement with the Netherlands government. With this goal in mind, Tokyo intended to have Mr. Imagawa, a Japanese member of the Yokohama Specie Bank in Batavia on this trade mission, present certain of Japan's problems to the Dutch officials.<sup>1413</sup>

To regain some semblance of its former trade with the Netherlands East Indies, Japan was particularly anxious that an account designated as the "A" account be restored. However, since the Netherlands Indies had already established the Central Afloh Japan Trade, Tokyo was not optimistic concerning the realization of its plan. Attempting to clear up back shipments of goods, Tokyo directed its ships to load the cargo already contracted for up to and including August 1, 1941. As a reciprocal measure Japan was to fill orders made by the Netherlands East Indies prior to that date.

The present trade situation existing between the two countries could not be termed beneficial to the Japanese government because the Netherlands authorities only issued permits for the purchase of such goods as the Dutch government was willing to sell. Since the payment of goods in guilders protected the buyer from exorbitant export duties, the Tokyo commercial officials suggested that the payment of the petroleum costs be made in this way. To accomplish such a plan the Mitsui Company conducted negotiations in Tokyo with two Batavian officials.<sup>1414</sup>

**599. Mr. Imagawa Discusses Japanese Currency Problems With Mr. Hoogstraten (August 7, 1941)**

Attempting to establish Japanese currency in the Netherlands East Indies on a more stable basis in spite of the freezing order, Mr. Imagawa and Mr. Kotani met in a conference with Mr. Hoogstraten and Controller Purena on August 7, 1941.<sup>1415</sup> At this meeting Mr. Hoogstraten, speaking in an official capacity, stated that his government would liquidate all of Japan's frozen assets with the exception of a small amount to cover the losses sustained by Indonesian merchants provided that the newly liquidated assets be used as payment for the purchase of materials in the Netherlands East Indies. Furthermore, Mr. Hoogstraten stated that even that money which was to remain frozen for the time being would be eventually liquidated. At a

<sup>1411</sup> III, 1110.

<sup>1412</sup> III, 1111-1112.

<sup>1413</sup> III, 1113.

<sup>1414</sup> *Ibid.*

<sup>1415</sup> III, 1114.

future conference details concerning the settlement of frozen assets through bahts or Shanghai dollars would be considered. In return for the concessions which the Dutch government was willing to make, Mr. Hoogstraten requested that he be notified of the extent to which Japan would export merchandise to the Netherlands East Indies in the future. If reciprocal measures were adopted, the Netherlands government promised to keep Japan informed on the maximum amount of East Indies goods it would be permitted to purchase.<sup>1416</sup>

Speaking of the difficulties encountered by Dutch firms in Japan, Mr. Hoogstraten reminded the Japanese representatives that these merchants had contracted for approximately ¥180,000,000 in Japanese goods before the retaliatory freezing order was put into effect by Japan. Between fifteen and twenty million yen had been paid on these goods, but only cargoes amounting to ¥3,000,000 had been loaded for shipment to the East Indies. Since Mr. Imagawa's and the Dutch bank official's figures differed, the amounts stated were to be checked and reported on.<sup>1417</sup>

Realizing that the purchase of petroleum was of prime importance to Japan, Mr. Hoogstraten dealt at great length on the conditions effecting its export from the Indies. Japan already owed between one and two million United States dollars for petroleum purchased and to expedite its payment, the Dutch government was willing to liquidate some of the frozen Japanese funds. As an added assistance to future negotiations, the local exchange branch which had formerly refused permission to the Yokohama Specie Bank for new payments on petroleum, was now willing to grant this privilege. These advance payments for exports were to be placed in a special "C" account. Moreover Dutch authorities decided to permit the local branch of the Specie Bank to use the funds on hand, known as the "B" account, to make payments to exporters and to engage in domestic enterprises. Netherlands officials further agreed that about thirty or forty guilders could be liquidated from the old "A" account while a new "D" account was being established at the Specie Bank, from which the exporter would draw the advance payments already agreed upon. By the conclusion of the conference, Mr. Hoogstraten and Controller Purena had unofficially guaranteed to maintain a status quo in the exchange market.<sup>1418</sup> From the report of the Japanese officials who had attended the conferences in Batavia, it would appear that the Dutch were equally desirous of disposing of the various commercial problems which resulted from the Netherlands freezing order. Therefore, Tokyo was asked to give the Dutch banks and merchants any necessary permits that would enable them to transact business with the Japanese.<sup>1419</sup>

#### 600. Second Trade Conference Ends in Disagreement Over Japanese-Dutch Contracts (August 8, 1941)

On August 8, 1941, Japanese and Dutch commercial officials held a second conference. Returning to the discussion of Dutch trade transactions in Japan, Mr. Hoogstraten, Chief of the Netherlands Commercial Bureau in Batavia, stated that Netherlands companies had already contracted for goods in the excess of ¥190,000,000 on which ¥3,000,000 had already been paid. Since both these sums were large, Mr. Kotani and Mr. Imagawa, the chief officials resenting Tokyo in trade negotiations, decided that the figures must be checked more closely. However, Mr. Hoogstraten insisted that, according to a message from the Netherlands Consul-General at Kobe, orders amounting to over ¥50,000,000 had passed over his desk, in that city alone.<sup>1420</sup>

<sup>1416</sup> *Ibid.*

<sup>1417</sup> *Ibid.*

<sup>1418</sup> *Ibid.*

<sup>1419</sup> *Ibid.*

<sup>1420</sup> III, 1115.

After listening to Mr. Hoogstraten's quotation of Dutch trade transactions with Japanese merchants, Mr. Kotani and Mr. Imagawa reiterated their belief that the sums quoted were too large to be considered feasible.<sup>1421</sup>

### **601. Dutch Indecision on Petroleum Exports Delay Japanese Tankers**

Since the Netherlands East Indies authorities had not taken an official stand on Japanese payment of petroleum exports by August 18, 1941, Tokyo resorted to information contained in an intelligence report from the Japanese Fuel Bureau.<sup>1422</sup> According to a message which arrived at the Mitsui Company in Tokyo from the branch in Batavia, the Netherlands East Indies government had decided to refer this freight question involving the *Zuiyo Maru*, *Teiyo Maru* and *San Deigo Maru*, en route to the Netherlands East Indies, to the New York Purchase Permit Control board.

However, when the Mitsui Company in Batavia demanded that New York furnish the permit necessary for the exportation of crude oil, it was informed that for the present no permits would be issued. Therefore because the Yokohama Specie Bank and the Mitsui Company could not obtain duplicated permits, Tokyo was forced to postpone the sailing of the three tankers pending further action by the Netherlands East Indies government.<sup>1423</sup>

### **602. Japan Published Conversations with Finance Authorities**

Even though the Netherlands government had already taken strong economic measures against the Japanese, the government at Tokyo realized that more effectively damaging restrictions might still be passed by the Dutch. Early in August 1941 Mr. Ishizawa informed Foreign Minister Toyoda that the Netherlands East Indies regulation froze only Japanese funds and not the assets while the retaliatory order issued by Japan froze both the funds and the assets of the Dutch. In order then, to offset the enactment of a stronger freezing measure by the Netherlands government, Mr. Ishizawa urged that Foreign Minister Toyoda assure Minister Pabst that Japan's freezing order would not be applied to Dutch assets.<sup>1424</sup>

As the result of Mr. Ishizawa's suggestion, Foreign Minister Toyoda decided to lighten the restrictions on the activities and reports made for the purpose of controlling the transactions among the foreigners interested in Holland and Dutch East Indies commerce. Therefore Foreign Minister Toyoda published the conversations with the Finance Department authorities and on August 8, 1941 put into effect the results of this conference.<sup>1425</sup>

### **603. Native Indonesian Leaders Pledge Support to Netherlands Government**

Not only by official economic restrictions but by a new strengthening of its own internal unity the Netherlands East Indies sought to impede further Japanese aggression. At a meeting of the Gerindo Party on August 4, 1941 the native population suggested open opposition to Japan's New Order in East Asia, and proposed forbidding any Japanese to enter the islands. According to *Kubangunan*,<sup>1426</sup> the native language newspaper, native leaders were convinced that this was the time for cooperation with the Netherlands government.<sup>1427</sup> In a report of this native activity sent to Tokyo on August 10, 1941 Mr. Ishizawa stated that the Dutch government bolstered native morale and loyalty by praising the capabilities of their organization and troops.<sup>1428</sup> Nevertheless realizing that the Netherlands government's system of conscrip-

<sup>1421</sup> *Ibid.*

<sup>1422</sup> III, 1116.

<sup>1423</sup> *Ibid.*

<sup>1424</sup> II, 1123.

<sup>1425</sup> III, 1117.

<sup>1426</sup> Kana spelling.

<sup>1427</sup> III, 1118.

<sup>1428</sup> *Ibid.*

ting natives on the islands remained a possible obstacle to complete cooperation between the Dutch factions, Mr. Ishizawa urged that Tokyo pay close attention to this question in hopes of using the natives for advancing Japanese propaganda among the islanders.<sup>1429</sup>

But less than a week later at a national conference held to draft proposals for discussion at a future meeting, six hundred members of the Gerindo Party voted that Japan's alliance with Nazi and Fascist nations as well as its aggressive actions against China and French Indo China constituted a threat to the Netherlands East Indies and the entire South Seas area. Although this native party, composed of ten thousand people from the lower and working classes, had been opposed to the Netherlands East Indies government with the result that many of its leaders had been banished, it now resolved to align its efforts with the Netherlands East Indies government in forming a popular democratic front embracing all Indonesia. Furthermore, the Gerindo party intended to arouse the rest of the population to the necessity for complete unity by establishing a volunteer army.<sup>1430</sup>

#### 604. Japan Proposes Reciprocal Financial Guarantees

On August 11, 1941 the Japanese government instructed its officials in Batavia to forward certain reciprocal agreements which Japan would make if the Netherlands East Indies permitted Japanese business houses and individuals on the islands to make use of the newly created "D" account for payments on exports, particularly of petroleum.<sup>1431</sup> Under this proposed program of financial reciprocation the Japanese government would attempt to evolve some plan for placing Dutch funds on deposit in Japanese currency at Tokyo. In the hope of realizing the adoption of such a financial agreement Foreign Minister Toyoda asked that Mr. Imakawa negotiate for the permits necessary to transfer Japanese money to the "D" account. The Japanese government wished that the Netherlands government allow the depositing of profits gathered through Japanese enterprises in the Netherlands East Indies into this "D" account in the same manner.

While these negotiations were under way, the utmost secrecy was to be observed in order to prevent Japanese nationals residing in the East Indies from learning of Tokyo's plans.

From previous conversations held between Japanese and Dutch officials in Batavia, the Japanese government realized that the Netherlands authorities were indignant over the losses inflicted upon Dutch merchants in Japan by the Japanese control order of July 7, 1941. To counteract this argument against cooperation with Japan, Foreign Minister Toyoda suggested that the Japanese officials in Batavia investigate the losses sustained by Japanese nationals as a result of the new Netherlands East Indies licensing system and to use the results of their findings as reasons for Japan's attitude in the trade negotiations.<sup>1432</sup>

#### 605. Japanese Officials Meet with Mr. Hoogstraaten in Fourth Trade Conference (August 12, 1941)

After receiving this reciprocal financial proposal from Tokyo,<sup>1433</sup> Mr. Ishizawa, assisted by Mr. Kotani and Mr. Imagawa, conferred with Mr. Hoogstraaten for three hours on August 12, 1941.<sup>1434</sup>

Before discussing Japan's proposed agreement, Mr. Kotani emphasized certain points connected with the recent Netherlands Indies freezing order. Ostensibly the purpose of this restriction was to cover the Y190,000,000 loss on contracts already drawn up with the Japanese and the 12,000,000 guilders of freight paid for by Dutch merchants in Japan but never delivered.

<sup>1429</sup> *Ibid.*

<sup>1430</sup> III, 1119.

<sup>1431</sup> III, 1120.

<sup>1432</sup> *Ibid.*

<sup>1433</sup> *Ibid.*

<sup>1434</sup> III, 1121.

Because there was a great difference between the trade statistics of the Netherlands and those of Japanese Commercial officials, Mr. Kotani felt that it was absurd to continue the enactment of a freezing order on the basis of inaccurate evidence. Therefore, the Japanese officials asked that the Netherlands freezing act be revoked.

Furthermore Mr. Kotani pointed out that not only had the Netherlands East Indies government abolished the old exchange agreement existing between the Japanese and the Dutch, but it had neglected to conclude a new agreement as it had formerly promised. Even when the Japanese government attempted to meet the Dutch export license system, the Netherlands East Indies government continued to regard Japan with suspicion, automatically assuming that by the advance into French Indo-China the Japanese were actually threatening the integrity of the Netherlands East Indies.

But although he remained convinced that Japan's recently acquired bases imperiled Indonesian defenses, Chief Hoogstraten admitted that the figures stating the losses of the Dutch merchants through trade transactions with the Japanese were inaccurate. However, assuring Mr. Ishizawa that he had not misquoted these figures with any malicious intention, Mr. Hoogstraaten explained that he had merely made use of the trade figures at hand.

At this point in the conversation, Mr. Ishizawa described the reciprocal plan which the Japanese government intended to offer the Netherlands East Indies in exchange for the permission to transfer deposits of Japanese business houses and individuals to the "D" account in the Yokohama Specie Bank for use as advance payments on certain exports and on petroleum shipments. Although he could not make any definite statement until the Netherlands East Indies government had decided its policy regarding the export license system, Mr. Hoogstraaten assured the Japanese Consul that his government would give the plan careful consideration.<sup>1435</sup>

#### **606. Thaise Consul-General Visits Mr. Ishizawa**

During a conference with Mr. B. C. Cheepensock on August 12, 1941 Mr. Ishizawa commented on the Indonesian newspaper attacks against Japanese pressure in Thailand. Because Mr. Ishizawa recognized the danger of this propaganda, he, himself, had denied the rumors at every opportunity and he questioned Mr. Cheepensock concerning similar rumors in Thailand. Mr. Cheepensock stated that three code messages just received from the Chief of the Bangkok Intelligence Bureau were evidence that Thailand was maintaining its neutrality policy and that it had received no demands whatever for military bases from any country.

When Mr. Ishizawa suggested that this information be made known to the Netherlands Indies press, Mr. Cheepensock replied that he intended to inform both the press and the Netherlands Indies government. Since Japanese relations with Thailand had already produced a decisive effect on negotiations with the Netherlands Indies, Mr. Ishizawa requested that Tokyo inform him of the official attitude to be taken toward Bangkok.<sup>1436</sup>

#### **607. Dutch Firms Complain of Japanese Trade Practices**

Foreign Minister Toyoda reported to Japanese officials in Batavia that on August 12, 1941 Mr. Pabst, the Netherlands Minister to Tokyo, complained that Japanese firms were selling to export regulatory organizations certain articles which had been promised to Dutch merchants. As a result, the Dutch merchants would possibly be unable to load their ships to the capacity originally reserved for them. Therefore, in lodging an official complaint, Mr. Pabst requested that the Japanese government end this trade practice. If these export regulatory organizations and development companies had already purchased these articles, the Netherlands Minister

<sup>1435</sup> III, 1121.

<sup>1436</sup> III, 1122.

asked that they be resold to the Dutch merchants to enable them to carry out the terms of their agreement with Japanese guilds.

On August 14, 1941 a Japanese official in charge of this matter strongly insisted that it was highly improbable that Japanese merchants resold their articles to export organizations in violation of their contracts. If, however, such trade practices had taken place, the Japanese Trade Bureau intended to warn the organizations against continuing them.

Nevertheless, it was pointed out that when Dutch merchants failed to take over those articles contracted for, even after paying for them, the Japanese merchants held the right to cancel the transaction and freely dispense of the merchandise in question. Since there would be an increasing number of cases in which the Dutch merchants would be unable to take over certain articles, Japan wished that the Netherlands government be informed that the Japanese firms were permitted unrestricted disposal of those articles. If the Dutch merchants then wished to repurchase the material that had been sold to the export organizations by the Japanese merchants, they would be forced to pay new prices. The Japanese government refused to order small export businesses to resell these articles to Dutch merchants under the old price level.

As a solution to this trade difficulty, Foreign Minister Toyoda suggested that an agreement be drawn up in Batavia providing for a conversion of Japanese funds amounting to 80,000,000 yen. These converted funds would be then used for the payment of Netherlands East Indies products. After the question of Japanese finances in the East Indies had been settled, the Japanese government promised to act on the question of the 20,000,000 yen which the Netherlands East Indies wished to use for making purchases from Japan.<sup>1437</sup>

## 608. The Netherlands East Indies Prepares for War

On August 14, 1941 Japanese intelligence sources in Batavia reported that the Netherlands East Indies government was making preparations for war.

To facilitate the commandeering of certain essential items by the military authorities, the Indonesian government ordered that all automobiles used by the people of Batavia be registered. Similar investigation was made of the number of horses available.<sup>1438</sup>

In case of invasion by an enemy, the Netherlands East Indies ordered that anything of value be demolished or burned. Specified persons were assigned to take charge of the destruction of all villages and towns within the rice producing areas of Java, and to burn all unhulled rice in this vicinity. Rice mills, bean processing plants, coconut processing plants, iron mills and petroleum refineries were to destroy their machines and any products being held in storage.

In order to facilitate the evacuation of inhabitants, the East Indies was divided up into three areas:

(1) Fighting areas—the evacuation of inhabitants from the areas where fighting was most likely to occur had already been completed;

(2) Possible areas in which military activities might be conducted—preparations were still underway for handling the evacuation of inhabitants from areas in this category.

(3) Non-combat areas—the Netherlands East Indies foresaw no need to evacuate inhabitants from this area.

Although the Netherlands East Indies government did not require the withdrawal of residents from any of these areas until it became absolutely necessary, it had no intention of prohibiting voluntary evacuation.<sup>1439</sup>

<sup>1437</sup> III, 1123.

<sup>1438</sup> III, 1124.

<sup>1439</sup> *Ibid.*

### 609. Japan Seeks Ratification of Mining Agreement

For convenience in handling wires from the B.O. M., a Japanese concern in the Netherlands East Indies, Tokyo requested on August 14, 1941 that its messages be sent directly to the Fuel Bureau because the South Seas Industrial Company was dissolved and its functions taken over by the Imperial Petroleum interests. In view of its new responsibility, the Fuel Bureau requested that this Japanese concern report on the progress made in securing permits for future prospecting and mining after the expiration of the present mining contract, and the possibility of securing rights for the operation of machines used in drilling. The Fuel Bureau believed that the B.O.M. should transport the petroleum from the Sapt Company operating in Timor on schedule. However, the B.O.M.'s opinion on the advisability of this action was requested. Finally, the Japanese Fuel Bureau asked for a full report on the desirability of scheduling an evacuation of Japanese employees residing in Soerabaja.<sup>1440</sup>

Three days later, the B.O.M. summarized the prospects for continuing the exploration and exploitation of East Indies mines. In a written request to the head of the Bureau of Mines, on August 11, 1941 Japanese officials of this company had asked permission to exploit new mine areas.<sup>1441</sup>

In view of the strained relations between Japan and the Netherlands East Indies however, the Director of the Bureau of Mines replied on August 14, 1941 that the signing of a mine agreement between Japan and Batavia was impossible. Nevertheless, the Japanese firm representatives requested an audience with the Batavian director on August 16, 1951. However, although the Netherlands East Indies apparently had no strong objections to signing a mining agreement, Dutch officials insisted that unsatisfactory Japanese-Dutch trade relations made the ratification of such an agreement impossible. In fact, for the present, the Netherlands government even believed it necessary to postpone reaching an agreement over the Sankuriran mines.

During the previous negotiations with the Dutch government, the Japanese official had attempted to bring about an agreement regarding the No. 1 "A" mine in Sankuriran but although the Japanese proposals governing this agreement had been submitted in June, 1941, as yet no reply had been forthcoming. While this delay might possibly have resulted from the fact that the Batavian Minister had been constantly traveling since its submission, the Japanese officials still doubted if the ratification of this mining agreement would take place.

Nevertheless, Mr. Ishizawa, accompanied by the Japanese mining officials, intended to confer with Mr. Hoogstraten in the near future. However, in view of these obstacles to the mining industry, the Japanese official requested that the new mining machinery not be sent in spite of the fact that the machinery in Soerabaya was already loaded for shipment to Batavia.<sup>1442</sup>

### 610. Mr. Ishizawa Confers with Mr. Hoogstraten on Petroleum Questions (August 16, 1941)

On August 16, 1941, Mr. Ishizawa conferred with Mr. Hoogstraten on the possibility of obtaining export permits for petroleum to be carried aboard the Mitsui Bussan's oil tankers, and for material being loaded on the *IYO Maru* for the Rising Sun Company. Mr. Hoogstraten wished to delay any decision on this question until August 18, 1941 when he would receive instructions from London and would be able to determine the attitude of the PRM and K companies. Furthermore, Mr. VanMook was too ill at present to issue any instructions on this matter.<sup>1443</sup> In a special message to Mr. Keki, Manager of the Yokohama Specie Bank, Mr. Imagawa pointed out that if the petroleum were loaded from storage tanks within British ter-

<sup>1440</sup> III, 1125.

<sup>1441</sup> III, 1126.

<sup>1442</sup> *Ibid.*

<sup>1443</sup> III, 1127.

ritory instead of that under Netherlands control, the export permits could be secured from the Malayan government and the Netherlands East Indies would be powerless to act upon it. Mr. Imagawa emphasized this point.

In regard to the unpaid balances on the shipment of petroleum exports yet to be made, Mr. Purena, Chief of the Netherlands Control Board, suggested that Japan debts to the BPM, the Colonial and the Rising Sun Companies be paid by means of the deposits held in the Yokohama Specie Bank or the Java Bank. A detailed statement of the present balances on the petroleum accounts owed by Japan was to be submitted by the control officials on Tuesday, August 19, 1941. Mr. Imigawa asked that Mr. Seki study the advisability of paying petroleum bills in this manner. At the same time Mr. Imagaw reminded Mr. Seki that unless Japan consent to these conditions the Netherlands East Indies might suspend entirely the exports of petroleum in the future.

Because the Handels Bank played such an important part in these negotiations, the Batavian control director asked that Japan consent to the establishment of "free guilders" in the Netherlands East Indies' monetary exchange. Originally the Handels Bank was to have sent 350,000 ticals to Japan but since the foreign money dealers could not send more than 5,000 at that time, Mr. Purena suggested that Japan accommodate the Handels Bank with the additional 400,000 ticals. Mr. Imagawa was willing to consent to such a financial exchange provided that the Batavian control director guarantee Japanese merchants export permits for rubber and tin. Since the granting of such permits would naturally effect the whole export problem, Mr. Purena did not feel authorized to agree to this proposal.

But even though Controller Purena refused to guarantee export permits in return, Mr. Imagawa suggested that his government consent to the Dutch use of free guilders since there was always the possibility that Japanese banks in the Netherlands East Indies would be in a similar predicament sometime in the future without any means of relief. As a result of this request, a credit of 400,000 ticals was arranged at the Japanese Branch of the Handels Bank for rubber and tin. In order to avoid any delay in carrying out this financial arrangement, Mr. Imagawa asked that Mr. Ogura, the Japanese Finance Minister, make arrangements for the special transfer of this money. From the negotiations conducted so far, the Dutch government was unwilling to state its official position regarding the export of all commodities and therefore the Japanese officials anticipated difficulty in incidental negotiations such as the fundamental question of regulating barter exchange.<sup>1444</sup>

#### 611. Mr. Imagawa Emphasizes Importance of Handels Bank Problem

Since it was generally felt in Tokyo that problems connected with the Handels Bank could be disposed of as soon as Japanese export permits were obtained from the Netherlands East Indies, the Yokohama Specie Bank urged Mr. Imagawa not to waste his efforts on this financial question.<sup>1445</sup> However, in his reply on the following day, Mr. Imagawa pointed out that the attitude of Netherlands East Indies officials toward the trade negotiations had grown constantly worse since the Japanese occupation of French Indo China and it did not seem likely that a satisfactory agreement could be reached on the exportation of such important raw materials as tin and rubber. If the Tokyo decided that an agreement on general terms was essential before considering any specific problems, stipulations for the securing of export permits from the East Indies would never be decided.

At the present time, Mr. Imagawa reported, the Japanese branch of the Mitsui Bank in Batavia was threatening to close down because of insufficient funds. Consequently the Handels Bank would close, complicating the Japanese banking system to such an extent that it would be impossible to dispose of any export problems. Although indignant at the attitude taken by

<sup>1444</sup> III, 1127-1128.

<sup>1445</sup> III, 1129.

Indonesian officials, Mr. Imagawa still believed that the Japanese government would have to agree to a settlement of the Handels Bank question in order to liquidate a small amount of its frozen funds and use them to purchase Netherlands East Indies products.<sup>1446</sup>

In a later report on the Handels Bank officials, Mr. Imagawa revealed that unless a specific guarantee were furnished the Netherlands East Indies, oil companies would refuse to load oil on Japanese tankers even if the Netherlands government itself granted export permits. Apparently the Netherlands East Indies' real intention was to cancel the funds of the oil company frozen by Japan. Therefore, Mr. Imagawa advised that the Yokohama Specie bank continue to study this problem.<sup>1447</sup>

#### **612. Dutch Merchants in Kobe are Dissatisfied**

On August 20, 1941, Mr. Hoogstraten reported to Mr. Ishizawa that the Dutch merchants in the Osaka Kobe region of Japan were aroused over the treatment accorded them. Although Mr. Hoogstraten admitted that the Batavian Consul General, Pennink, might have exaggerated the situation, he nevertheless felt that the unfriendly attitude of both the Tokyo central authorities and the Japanese officials in Kobe had been a source of concern to the East Indian merchants. In attempting to smooth over this minor incident, Mr. Ishizawa promised that future trade negotiations in that area would be handled entirely through the Japanese legation.<sup>1448</sup>

#### **613. Netherlands Indies Places Restrictions on Japanese Business**

##### *a. Suppression of Japanese Newspapers*

Nevertheless retaliatory measures were taken against the Japanese on the islands by the Netherlands government. On August 21, 1941 local Batavian police arrested the editors of the Chinese language edition of the *To-Indo Nippo* and the *Shinarusutan*, two Japanese-subsidized newspapers, and suspended the printing of both papers for one week.<sup>1449</sup>

##### *b. Java Prohibits Japanese-Language Phone Calls*

On the same day Dutch officials in Java ordered that all telephone calls to and from the islands be made only in the Dutch, Malayan or English languages. Although Mr. Ishizawa had not yet learned whether this ban on the use of the Japanese language had been extended to other islands in the Indies, he asked that the Tokyo Foreign Office use its influence to have the order rescinded, since its effect on Japanese business in Java alone impaired Japanese trade as a whole.<sup>1450</sup>

##### *c. Japanese South Seas Company Unable to Pay Telegraph Bill*

The strict enforcement of the Netherlands East Indies freezing regulations forced the Batavian branch of the South Seas Company to default in payment of the telegraph bill resulting from the numerous request messages sent through the Fuel Bureau (?). Since this Japanese bureau needed the money, Tokyo asked to forward funds to help the bureau remain in operation.<sup>1451</sup>

#### **614. Japanese Propaganda Active in East Indies**

Yet in spite of restrictions placed on Japanese business enterprises and nationals throughout the Indies, Japanese propaganda, carried on by highly trained agents, continued. Because

<sup>1446</sup> III, 1130.

<sup>1447</sup> III, 1131.

<sup>1448</sup> III, 1132.

<sup>1449</sup> III, 1133.

<sup>1450</sup> III, 1134.

<sup>1451</sup> III, 1135.

of his affiliation with the government of Tokyo and the Japanese subsidized Harmony Societies, Mr. Hwang Chang-chi's activities were suppressed by Indonesian officials in January 1941. In the middle of May, 1941 the restrictions against him were removed but the People's Council of the Netherlands East Indies remained on the alert for proof of Mr. Hwang's connections with the Tamurin affair.

Realizing that a critical situation might result if the Dutch continued an investigation of the incident, Japanese officials in Batavia curtailed that type of propaganda which openly advocated the adoption of Japan's Asiatic ideology. Nevertheless, Mr. Hwang Chang-chi increased his efforts for Japan to such an extent that he aroused the anger of the Hunpao Faction which advocated war between the two countries, and Japanese representatives feared that it would only result in the complete suppression of Mr. Hwang and his subordinates.

At the same time however, these same Japanese officials recognized the value of recruiting men interested in Japan's Asiatic policy. Therefore, when Mr. Hwang, of his own accord, offered his services to Japanese officials in Batavia the Japanese official in charge advised him to organize a group of henchmen for procuring political and military intelligence about the Netherlands East Indies.<sup>1452</sup>

### 615. Netherlands East Indies Refuses Military Supplies to Japan

Since the attitude of the Netherlands East Indies government toward the exportation of military supplies to Japan had become increasingly hostile since the Japanese occupation of French Indo-China, Mr. Ishizawa felt it necessary to summarize the trade situation existing between the two countries in a message to Tokyo on August 24, 1941.<sup>1453</sup>

During the first few weeks, Mr. Ishizawa reported he had several discussions with Mr. Hoogstraten, Chief of the Dutch Trade Bureau, Mr. Supitto, the Netherlands Vice-Governor, and Mr. Rofinck, Chief of the East Asia Bureau, in order to exchange opinions on the general problems to Japanese-Netherlands East Indies relations. Concurring exactly in the unremitting and emphatic opinions they individually expressed, the Indonesian officials insisted that relations between Japan and the Netherlands East Indies would never improve as long as Japan remained allied to Germany. Convinced that Japan's aggressive policies were a direct result of this alliance, the Netherlands officials regarded the occupation of southern French Indo-China by Japanese forces as an unmistakable indication that Japan was planning to attack the Netherlands East Indies in the near future.

Although the Netherlands officials stated that their government was not acting under the influence of either Great Britain or the United States, they admitted that a threat to the Netherlands East Indies constituted a threat to both the United States and Great Britain. Therefore, as long as Japan retained military bases in southern French Indo-China, the Netherlands East Indies' policy toward Japan would parallel that of the United States and Great Britain. It necessarily followed, then, that while the threat of the Japanese army, air and naval forces existed, the Netherlands East Indies would not feel free to contribute its raw materials toward the strengthening of Japan's military power.

From these conversations Mr. Ishizawa concluded that unless Japan withdrew its allegiance from the Tripartite Pact and its forces from southern French Indo-China, relations between Japan and the Netherlands East Indies would remain in the present critical state. Although Mr. Ishizawa had come from Japan for the second time in the hope of improving relations between the two governments, he felt that as long as the Netherlands East Indies government held its present attitude toward Japan's policies he, himself, was powerless to effect a reconciliation of ideas. Acting under the instructions wired to him from Tokyo, Mr. Ishizawa

<sup>1452</sup> III, 1136.

<sup>1453</sup> III, 1137.

had repeatedly explained to the Netherlands officials that Japan's allegiance to the Tripartite Pact was a matter of definite policy and that its stationing of troops in southern French Indo-China was purely a defensive measure. However, in expressing the views held by their government, Mr. Hoogstraten, Mr. Rofinck and Mr. Supitto refused to recognize any justification for Japanese policies.

Although the policy of the Netherlands East Indies government might be lenient at times, Mr. Ishizawa was certain it would be largely based upon the fundamental standpoint explained in this message. Mr. Ishizawa did not feel that Mr. Pabst, the Netherlands Minister to Tokyo, was capable of giving Foreign Minister Toyoda a picture of the atmosphere prevailing in the Netherlands East Indies since Mr. Pabst had been away from the Netherlands East Indies a long time and was unaware of the changes resulting from the European war. It was even apparent that the Netherlands East Indies government did not take Mr. Pabst's views seriously.

According to Mr. Ishizawa the attitude of the Netherlands East Indies government toward the export of petroleum to Japan would remain unsatisfactory to Tokyo. Therefore, Mr. Ishizawa suggested that the Japanese government formulate a new policy toward the Islands by means of which definite steps could be taken to secure the necessary fuel immediately. In view of this opinion Mr. Ishizawa further suggested that future trade negotiations with Mr. Pabst be postponed.<sup>1454</sup>

#### 616. Mr. Ishizawa Asks Permission to Return to Japan

After expressing a pessimistic attitude on the possibility of ever successfully concluding negotiations with Dutch officials, on August 28, 1941, Mr. Ishizawa requested the Vice Minister's permission to return to Japan.<sup>1455</sup> When first installed as Japanese Consul in Batavia in October 1940, Mr. Ishizawa became aware of the disunity in Japan itself regarding a definite policy toward the Netherlands East Indies. Realizing the urgent need which Japan had for Netherlands East Indies materials, Mr. Ishizawa determined to work toward obtaining them. As a result of his early efforts, the Japanese Consul concluded the Ishizawa-Haruto agreement by means of which he won the confidence of the Netherlands authorities. Convinced that the petroleum concessions and supplies of other essential goods, however small, could eventually be obtained from the Netherlands East Indies government, Mr. Ishizawa took up the responsibilities of his post in Batavia. By continuing negotiations with the Indonesian officials he primarily hoped to keep abreast of developing Dutch policies toward Japan, and thereby be in a position to advise the Japanese government on any counter-policies to be adopted in dealing with the Indies.<sup>1456</sup>

When Mr. Yoshizawa was sent to Batavia as a special representative of the Japanese government, Mr. Ishizawa cooperated in holding conversations with the officials in the Netherlands East Indies and as a result some of Japan's trade aims were realized. With Japan's occupation of French Indo-China, however, the Netherlands East Indies government adopted a strong anti-Japanese policy. From the opinions of influential Dutch officials summarized in the speech of Bureau Chief Van Mook, Mr. Ishizawa concluded that Japan would be able to obtain very little from future trade negotiations. Although efforts to settle the problems arising from the Netherlands freezing regulations were continuing, Mr. Ishizawa felt that the negotiations between the two governments would drag on for many more months. Therefore he requested permission to return to Tokyo and make a personal report to the Japanese government. Since he was suffering from tropical fevers brought on by the climate of the Netherlands East Indies, Mr. Ishizawa offered his health as another reason for returning to Japan at this time.<sup>1457</sup>

<sup>1454</sup> *Ibid.*

<sup>1455</sup> III, 1138.

<sup>1456</sup> *Ibid.*

<sup>1457</sup> *Ibid.*

## 617. Mr. Saito Reports Difficulty in Purchasing Military Supplies

Mr. Ishizawa was not alone in his pessimistic attitude regarding the improvement of the trade situation between Japan and the Netherlands East Indies.

On September 2, 1941 Mr. Saito, in a message to Mr. Kuribayashi, disclosed that although some progress had been made, it was slower than the Japanese representatives in Batavia had expected;<sup>1458</sup> two hundred and thirty tons of copra and fifty tons of hemp had been purchased and an application made for the export of fifteen tons of cotton cloth and eight hundred and twenty-five tons of hemp thread for the manufacture of floor matting.

However, since material could be purchased up to 40,000 guilders during October, Mr. Saito asked that Mr. Kuribayashi secure the approval of the Japanese Treasury Department and the Yokohama Specie Bank in order to guarantee the success of these trade enterprises. In spite of the small amount of trade actually being conducted, the Japanese concerns in Batavia endeavored to maintain the standard number of employees and coolies and to keep the equipment in order.<sup>1459</sup>

## 618. Japan's Reactions to Netherlands Increased Trade Restrictions

### a. Japanese Boycott Dutch Firms

Aside from the official retaliatory measures taken by the government at Tokyo, the Japanese people themselves answered the Netherlands trade restrictions by certain anti-Dutch actions. There was a mass resignation of Japanese employees from the Handels Bank and other Dutch firms in Japan. On September 2, 1941 Mr. Ishizawa asked for complete information on this unofficial Japanese boycott of Dutch enterprises.<sup>1460</sup>

### b. Japanese Official Leaves Soerabaja with Secret Documents

Because the diplomatic situation between Japan and the Netherlands Indies was tense, Japan foresaw a need for getting certain secret materials off the islands. Therefore in order to make special arrangements for conducting Secretary Yamaguchi through the customs at Yokohama, Japanese representatives notified Tokyo on September 2, 1941 that the telegraphic official would leave Soerabaja aboard the *Johore Maru* on September 4, 1941 with certain machine codes and secret documents.<sup>1461</sup>

## 619. Netherlands East Indies Government Supports Chiang Kai-shek

After the Japanese invasion of French Indo-China the Netherlands East Indies adopted an anti-Japanese policy manifested not only in its export restrictions but also in the Dutch policy of moral support as well as actual aid to China in its war with Japan.<sup>1462</sup>

At the same time the Indonesian officials demanded the suspension of the Japanese subsidized *East Indies Daily News* and the Malayan language magazine, *Sinarusuratan*, these same authorities refused to control anti-Japanese editorials appearing in Chinese newspapers throughout the Indies. In fact, Mr. Ishizawa reported on September 2, 1941 that, by way of assisting these anti-Japanese activities instigated by the Chinese living on the islands, the East Indies government exiled those Japanese residents who attempted to influence the Chinese-Dutch and it brought those Chinese nationals sympathetic to the Japanese before the official charged with Chinese affairs in the Indies. From an anonymous report, Mr. Ishizawa learned that pro-Japanese residents were even in danger of their lives; moreover, while

<sup>1458</sup> III, 1139.

<sup>1459</sup> *Ibid.*

<sup>1460</sup> III, 1140.

<sup>1461</sup> III, 1141.

<sup>1462</sup> III, 1142.

pro-Japanese activities were being curtailed, Indonesian officials solicited funds from the Chinese residents for the construction of military airplanes for Chungking.<sup>1463</sup>

Aware of the influence of this anti-Japanese movement upon Japanese-Dutch relations, Mr. Ishizawa called upon Mr. Rofinck, the Dutch official in charge of the Far Eastern section. When the Sino-Japanese incident was brought up in the conversation, Mr. Rofinck stated that the years he had spent living in China had made him aware of certain problems peculiar to the Chinese people. Upon his experience with the Chinese then, Mr. Rofinck based his belief that Japan's establishment of the Nanking government in opposition to that of Chungking had little chance of success; and since the Nanking government was composed of second rate politicians, the Dutch officials personally were unsympathetic with Japan's efforts to win the Chinese masses from Generalissimo Chiang Kai-shek. Pointing out that the Chinese living on the islands, representing the Chinese masses as a whole, gave almost unanimous support to the Chungking government, Mr. Rofinck suggested that Japan reach a compromise with Generalissimo Chiang Kai-shek.<sup>1464</sup>

Since Mr. Wang Ching-wei, as President of the Nanking government, advocated a Sino-Japanese peace fundamentally based on the expulsion of the white man from East Asia, Mr. Rofinck felt it only natural that the Netherlands East Indies government should oppose Nanking, most specifically by protecting the Chinese residents of the islands from the influence of this Japanese ideology. Furthermore, because these 1,500,000 Chinese living throughout the Netherlands East Indies formed an integral part of an Indonesian society that was now under marital law and on a wartime basis, the Indies government was forced to crush any political schemes that would involve the Chinese people, and add to the international tension.<sup>1465</sup>

In spite of Mr. Ishizawa's efforts to refute Mr. Rofinck's statements, the Chief of the Dutch Foreign Ministry section remained firm in his opinion, particularly with regard to Japanese activities on the islands. In view of these opinions which were apparently held by the Netherlands East Indies government in general, Mr. Ishizawa suggested to Tokyo that the Japanese organizations, established throughout the Indies for the purpose of manipulating Indonesian public opinion, remain passive for the time being.

However, Mr. Ishizawa continued to collect intelligence relating to the activities of the Chinese living in the East Indies, since he believed that it was still propitious for the Japanese government to strengthen its schemes among the Chinese there. In order to carry on this propaganda work successfully, Mr. Ishizawa asked that Tokyo send influential persons connected with the Nanking government who could meet in small groups with the Chinese and in this way, without appearing to be connected officially with the Japanese government, preach the doctrine that the Chinese and Japanese were one.<sup>1466</sup>

## 620. Mr. Ishizawa Proposes Bank Loans to Japanese Evacuees.

By the beginning of September diplomatic relations between Japan and the Indies had grown so tense that Japanese nationals were evacuating the islands in large numbers. Since a Netherlands order had frozen Japanese assets, a financial question arose from the need of supplying those leaving the Indies with sufficient funds to cover passage home. Although no general rule had as yet been formulated for dealing with this problem, after conferring with Japanese banks in the Netherlands East Indies, Mr. Ishizawa on September 4, 1941 proposed that Japanese banks assist the evacuees by accepting their deposits.<sup>1467</sup> Realizing that there was

<sup>1463</sup> *Ibid.*

<sup>1464</sup> *Ibid.*

<sup>1465</sup> *Ibid.*

<sup>1466</sup> *Ibid.*

<sup>1467</sup> III, 1143.

always the danger of having these deposits assessed if there were a default in payment of any obligations, Mr. Ishizawa suggested that there be some alternate method of paying the debts.

Under the proposed plan Japanese evacuees would file a fixed form requesting that the Japanese Consul take custody of their money in guilders, while actually the money would be placed in trust with the Yokohama Specie Bank or the Bank of Taiwan. If there were no Japanese bank in the vicinity, the Japanese Consul was to forward the money to the bank at either Soerabaja or Batavia. After the money was collected, a detailed list of all the deposits was to be sent through the Consulates to both the Japanese Foreign Office in Tokyo and to the main office of the banks concerned, together with all the arrangements connected with the loans.

In order to prevent the Dutch government from learning that loans were being made in Japan for money deposited in the Netherlands East Indies, Mr. Ishizawa asked that the South Seas Association act as an intermediary in giving any advice necessary for determining the amount of the loan to be extended to the Japanese evacuees. Since Mr. Ishizawa desired to put this proposal into effect without any delay, he requested that Tokyo wire any objections or suggestions immediately.<sup>1468</sup>

## 621. Foreign Minister Toyoda Requests Clarification of Proposals

After receiving Mr. Ishizawa's proposal, Foreign Minister Toyoda requested that certain points be clarified since it would be necessary to make explanation in Japan as well as in the Netherlands East Indies regarding the deposit of secret loans for agriculturists and Japanese evacuees.<sup>1469</sup> Foreign Minister Toyoda asked that Mr. Ishizawa discuss the aspects of the entire situation with branches of the Yokohama Specie Bank and the Bank of Taiwan. Aware of the necessity for keeping these financial negotiations secret, Foreign Minister Toyoda urged that the plan not be divulged through the carelessness of the Japanese evacuees themselves.<sup>1470</sup>

Foreign Minister Toyoda was particularly concerned with the different methods to be applied in the actual cases. Wherever there was a special cash account in the Japanese bank, Foreign Minister Toyoda asked if it would be possible to convert that portion of the savings into a fixed deposit to be used as loan security with all certificates of the deposit left at the branch bank. In the event that this was possible, Foreign Minister Toyoda asked if there were any danger of the practice becoming generally known. When certificates of such fixed deposits could not be retained at the branch bank, Foreign Minister Toyoda asked that a convenient method be devised whereby the deposit certificates would be transferred to the Japanese Consul-General's office so that the depositors would be prevented from withdrawing any portion of the deposit that was being held as security. In this regard the Japanese Foreign Minister requested that information be exchanged on the loans to be made, loan payments and deposits.<sup>1471</sup>

Since it might be impossible for the Japanese evacuees to have in their possession either a bank book or a certificate of deposit, Foreign Minister Toyoda further asked that a method be adopted to ascertain the differences of the loan repayments and the original deposit payment. Some means had to be devised for identifying the person withdrawing the money as the one originally depositing it, and provisions made for those cases were certain members of a Japanese family returned to Japan while others remained in the Indies.<sup>1472</sup>

## 622. Tokyo Disapproves Japanese Evacuation

In spite of his interest in guaranteeing the financial security of Japanese nationals leaving the Netherlands East Indies, Foreign Minister Toyoda actually disapproved the current Japanese

<sup>1468</sup>Ibid.

<sup>1469</sup>III, 1144.

<sup>1470</sup>Ibid.

<sup>1471</sup>Ibid.

<sup>1472</sup>Ibid.

evacuation from foreign countries.<sup>1473</sup> Although he sympathized with the inconveniences experienced by the Japanese living abroad, inconveniences caused by Japan's present critical international relations, Foreign Minister Toyoda felt that Japanese people should be willing to make sacrifices impartially.

Foreign Minister Toyoda realized that trade and shipping in the Netherlands East Indies would remain at a standstill until the Dutch government decided on a definite policy for supplying Japan with raw materials. Nevertheless, he urged that Japanese merchants abroad keep their businesses going even if their ledgers showed a deficit. By way of warning, Foreign Minister Toyoda stated that those Japanese nationals who gave up their rights and privileges abroad because of temporary discomfort and increasing panic would probably find it difficult to obtain the necessary passports or permits to reopen their businesses after the crisis had passed.<sup>1474</sup>

### 623. Tokyo Sends Funds for Trade Promotion

By way of inducing Japanese merchants to remain in the Indies, Foreign Minister Toyoda notified Japanese officials in Batavia on September 5, 1941 that 4000 yen would be sent to defray costs of trade promotion and other necessary expenses. In return for this money the Japanese government wished that intelligence reports be sent from time to time.<sup>1475</sup>

### 624. Mr. Hoogstraten Calls on Mr. Ishizawa to Refute Japanese Statements (September 5, 1941)

On September 5, 1941 Mr. Hoogstraten called on Mr. Ishizawa to discuss a report sent by the Japanese Batavian Consul to Mr. Pabst stating that the Netherlands East Indies government would revoke permits for the export of petroleum to Japan unless the Japanese government issued a statement denying any intention of attacking the Netherlands East Indies from French Indo-China and unless Japan further guaranteed the eventual withdrawal of its troops from French Indo-China.<sup>1476</sup> Mr. Hoogstraten maintained that even if Japan were to make guarantees on the two points mentioned, the Netherlands East Indies would still refuse to grant the unconditional export of petroleum, or any other kind of oil which could increase the fighting power of Japan. However, Mr. Hoogstraten assured Mr. Ishizawa that Dutch experts were working to determine what types of oil would fall under the category of military supplies.<sup>1477</sup> In reporting this conversation to Tokyo, Mr. Ishizawa reminded the Japanese Vice Minister that he had asked that his interview with Mr. Hoogstraten remain strictly confidential; yet, the Japanese Vice-Minister had discussed the matter with Mr. Pabst, the Netherlands Minister to Tokyo. When Minister Pabst sent his report back to the Netherlands East Indies government, the information connected with the demands of the Dutch government differed very greatly from the original report sent by Mr. Ishizawa to the Japanese Vice-Minister, and an all-around misunderstanding had arisen between Japanese and Dutch officials. Consequently Mr. Ishizawa had been questioned very closely by the Netherlands East Indies Governor-General and Mr. Van Mook concerning his original report to the Japanese Vice Minister.

In the conversation on September 5, 1941, called primarily to clear up the situation, Mr. Hoogstraten stated that he was sure there was nothing in his original report to cause any misunderstanding. Mr. Ishizawa himself believed that Minister Pabst's lack of sufficient understanding regarding the situation existing in his own country at this time had caused the present misinterpretation of facts.

<sup>1473</sup> III, 1145.

<sup>1474</sup> *Ibid.*

<sup>1475</sup> III, 1146.

<sup>1476</sup> III, 1147.

<sup>1477</sup> *Ibid.*

Fearing that future reports might be misinterpreted in the same way, Mr. Ishizawa stated that he was tempted to withhold frank opinions on confidential conversations with Mr. Hoogstraten. Mr. Ishizawa pointed out that Mr. Hoogstraten's present friendly attitude was largely based on his association with the Japanese Consul-General in 1936 during the conclusion of the Ishizawa-Haruto Agreement. Throughout that period Mr. Hoogstraten and Mr. Ishizawa had combined their efforts toward solving problems arising between the Japanese exporters' guild and the Netherlands business firms in Japan. If Mr. Hoogstraten should refuse to discuss the trend of Japanese-Dutch relations with Mr. Ishizawa as a result of this recent misunderstanding, the Japanese Consul-General believed that Japan would be unable to determine the actual policy of the Netherlands East Indies government. Therefore, to clarify his sincerity and reliability to Mr. Hoogstraten, the Netherlands Governor-General and Mr. Van Mook, Mr. Ishizawa requested that the Japanese Vice-Minister asked Minister Pabst to send a telegram of explanation to his government at Batavia.<sup>1478</sup>

#### 625. Japanese Finance Ministry Issues Limited Permits to Dutch Firms

Possibly as a means of appeasing the Netherlands officials after the misunderstanding over Dutch demands, at noon on September 6, 1941, the Japanese Finance Ministry issued export permits to Dutch firms in Japan, covering shipments amounting to 1,588,100 yen and about 1200 or 1300 tons.<sup>1479</sup> But in spite of this extension of certain privileges to Dutch firms, Foreign Minister Toyoda asked that Mr. Ishizawa inform Mr. Hoogstraten that the Japanese Finance Ministry could not consider a permit for the amount handled by the Handels Bank. However, details of the permits being granted were to be forwarded to the Netherlands East Indies government of the Japanese Finance Ministry.<sup>1480</sup>

#### 626. Japanese Fuel Bureau Reports Shortage of Oil

But regardless of conciliatory trade concessions proposed by Japan, the Dutch kept their export restrictions in force and continued to endanger Japanese business. On September 6, 1941 the Japanese Fuel Bureau informed the Japanese B.O.M. firm in Batavia that the 12,000 gilders' worth of crude oil on hand in Japan would not last more than a month.<sup>1481</sup> Since the Netherlands East Indies government recently froze the 12,000 gilders remitted through the Mitsui Bank, the Japanese Fuel Bureau found itself forced to devise other means of raising funds.

Foreign Minister Toyoda asked that Japanese officials confer with the Japanese Consul-General, the Yokohama Specie Bank in Batavia and other competent persons regarding a policy for raising funds. At the same time Japanese officials in Batavia were to undertake negotiations for the reimbursement of 10,000 of the gilders frozen by Dutch order.<sup>1482</sup>

#### 627. Mr. Ishizawa Answers Fuel Bureau's Message

In a report from the B.O.M. office to the Japanese Fuel Bureau in Tokyo on September 6, 1941 Japanese officials stated that the Dutch Exchange Control Board had notified the Mitsui Bank in Soerabaja that the Netherlands East Indies would not permit the sending of remittances from Japan to the B.O.M. office in the Netherlands East Indies. However, the Japanese officials were conferring in order to effect some counter plan.<sup>1483</sup>

Mr. Ishizawa reported receiving notification on September 6, 1941 that 10,000 gilders had been remitted from the guilds. He requested that this not be permitted to happen again, unless

<sup>1478</sup> *Ibid.*

<sup>1479</sup> III, 1148.

<sup>1480</sup> *Ibid.*

<sup>1481</sup> III, 1149.

<sup>1482</sup> *Ibid.*

<sup>1483</sup> III, 1150

directed from the B.O.M. office in Batavia. In the future any dispatches for this Japanese firm were to be addressed to the Japanese Consul-General in Batavia.<sup>1484</sup>

### 628. Mr. Ishizawa Requests Code Names for Japanese Firms

In view of the importance of maintaining strict secrecy regarding Japan's participation in trade negotiations with the Dutch, Mr. Ishizawa on September 6, 1941 asked that the Tokyo Communication Office devise code words for seven Japanese firms.<sup>1485</sup>

In compliance with this request four days later, Foreign Minister Toyoda assigned code words for five of the national Japanese firms in the Netherlands East Indies.<sup>1486</sup> However, Foreign Minister Toyoda suggested that a machine code or some secure Foreign Office code be used for those messages concerning the B.O.M. firm which required strictest secrecy. When the message was not strictly secret it could be sent in the LA code, using the indicator "OXBIZ."<sup>1487</sup>

### 629. Tokyo Requests Information on Japanese Fishing Companies

Apparently the Dutch restrictions on petroleum exports affected even the Japanese fishing industry, for on September 6, 1941, Foreign Minister Toyoda in a message to both Singapore and Batavia requested that an immediate investigation be made of Japanese fishing grounds and particularly of the extent to which gasoline-powered vessels were used in the fishing industry.<sup>1488</sup> In this report the vessels owned by each concern were to be listed separately together with their tonnage and speed and the wireless equipment abroad.

In the event that Japan should find it necessary to make use of these fishing vessels for other purposes, Foreign Minister Toyoda asked that he be informed of the method by which instructions could be transmitted to each vessel, the time of day orders should be wired, and the length of time required by each vessel, after receiving orders from Tokyo, to reach the southern part of French Indo-China.<sup>1489</sup>

### 630. Batavia Sends Statistics on Fishing Companies

In reply to Foreign Minister Toyoda's order, Mr. Ishizawa informed Tokyo that the Taichen Company owned and operated by Mr. Noboru Ogura, and the Oshiro Company, owned and operated by Mr. Moryuki Oshiro, were the two fishing concerns operating in Batavia.<sup>1490</sup> All of the four and two ships owned by the Taichen and Oshiro Companies respectively were propelled by 80 h.p. gasoline engines, were between 20 and 25 tonnage, capable of a seven knot speed and having a cruising range of between 9 to 13 days. None of these ships had communication facilities.

Since the vessels sailed constantly between the fishing harbor of Batavia and the fishing areas of Banga and Belitoeng, the Japanese Consul's office at Batavia could contact the vessels in the Batavian harbors on the same day. However, it would require approximately one and one-half days for this message to be relayed to those vessels at the fishing grounds. Then, after the message had been relayed, it would take an additional six days and nights to sail from the southern tip of Batavia; and with each vessel towing two fishing barges, an additional two days and nights would ordinarily be required in order to cover the distance from the northern-most fishing area in the Netherlands East Indies to the Natoena Islands. If Tokyo desired any of these vessels to make the voyage to French Indo-China, it was desired that they be advised

<sup>1484</sup> *Ibid.*

<sup>1485</sup> III, 1151.

<sup>1486</sup> III, 1152.

<sup>1487</sup> *Ibid.*

<sup>1488</sup> III, 1153.

<sup>1489</sup> *Ibid.*

<sup>1490</sup> III, 1154.

at least one week in advance in order to make the necessary repairs to their ships and the preparations necessary for a safe voyage.<sup>1491</sup>

### 631. Mr. Ishizawa Confers with Mr. Hoogstraten on Petroleum Exports (September 8, 1941)

Since the scarcity of petroleum was affecting even the Japanese fishing industries, on September 8, 1941, Mr. Ishizawa called on Mr. Hoogstraten in an attempt to force the Dutch authorities to commit themselves officially on the exportation of petroleum aboard the *San Diego Maru*.<sup>1492</sup> Mr. Hoogstraten informed the Japanese Consul that the Netherlands government had definitely decided to refuse permission for "special Tarakan" exports. Mr. Ishizawa then questioned Mr. Hoogstraten on the information recently received from the Japanese Finance Ministry in Tokyo, that the B.P.M. had been refused permits for the "Gasoil" and "Tarakan diesel" which was to have been loaded aboard the *Kiyo Maru* and the *Teiyo Maru*. However, until the Netherlands government had decided upon a definite policy governing export permits, Mr. Hoogstraten refused to make any statement on this matter, nor did he give any indication on when a decision would be reached. Furthermore, no Indonesian official was authorized to grant any export permits on his own initiative.<sup>1493</sup>

Mr. Ishizawa felt that the Netherlands stand on the export problem was not only unwarranted but was contrary to the understanding reached at the culmination of Japanese-Dutch trade negotiations. But, Mr. Hoogstraten pointed out that the understanding had been made before the Japanese occupation of French Indo-China, at a time when it appeared certain that the trade negotiations could be satisfactorily settled.

In reporting this conversation to Tokyo, Mr. Ishizawa stated that the Netherlands East Indies export policy, particularly in regard to petroleum, was largely dictated by Great Britain and the United States, and therefore the Japanese government was automatically placed in an unsatisfactory position. However, Mr. Ishizawa recognized that the Indonesian attitude toward Japan was based primarily on the threat that the Japanese occupation of French Indo-China constituted to the Netherlands East Indies territory. Unless the Japanese government was able to remove this fear, and at the same time devise plans for eliminating the influential activities of Great Britain and the United States, Mr. Ishizawa believed that trade negotiations would never be concluded successfully. Since Mr. Ishizawa did not believe that the Netherlands East Indies government would grant Japan sufficient petroleum to cover all its needs, he suggested that Japan refute the idea that the restrictions on petroleum exports greatly affected Japanese industry. When negotiating with Mr. Pabst in Tokyo, Mr. Ishizawa suggested that the Japanese officials bear the circumstances in mind and attempt to make the best of an unfavorable situation.<sup>1494</sup>

### 632. Japanese Couriers Arouse Suspicion in Indies

From time to time Mr. Ishizawa had reported that the attitude of Netherlands East Indies officials had become hostile even toward Japanese couriers. When Mr. Zoku Nomoto arrived in Batavia to teach the telegraphic clerks certain methods in the new Japanese code, the Dutch authorities had insisted that his duties as a courier were fulfilled once his documents were delivered to the telegraphic office. Therefore, Mr. Nomoto was refused permission to travel away from the Japanese Consulate.<sup>1495</sup> On September 8, 1941 Mr. Ishizawa stated that after telegraphic clerk Yamaguchi returned from conferring with Japanese communications offi-

<sup>1491</sup> *Ibid.*

<sup>1492</sup> III, 1155.

<sup>1493</sup> *Ibid.*

<sup>1494</sup> *Ibid.*

<sup>1495</sup> III, 1156.

cials in Soerabaja, Makasa, Menado, Medan, Thai and Singapore to his own position in Batavia, Mr. Nomoto would leave for Tokyo.<sup>1496</sup>

In view of the delicate international situation, Mr. Ishizawa suggested that in the future, only someone the rank of secretary or higher in the Foreign Office and well-versed in the diplomatic policies of Japan should be entrusted with carrying back to the Japanese government reports that could not be transmitted in telegraphic or written documents. Mr. Ishizawa pointed out that when a courier was not skilled in the language and customs of the country in which he was sent, he often aroused suspicion. Mr. Ishizawa feared that Dutch authorities would completely prohibit Japan's use of couriers throughout the Netherlands East Indies if such suspicion were aroused any further.<sup>1497</sup>

### 633. Japanese Minister Decides Policies for Deposit Loans

Meanwhile in Tokyo the Foreign Ministry debated accepting deposit funds from the Japanese nationals leaving the Netherlands East Indies, with the result that on September 9, 1941 the Japanese Finance Minister forwarded to Batavia certain policies that should govern this measure if put into practice.<sup>1498</sup> In the Finance Minister's opinion, even in cases where the money was deposited in the Yokohama Specie Bank or in the Bank of Taiwan, the books containing the list of deposits should be placed in charge of the Japanese Consulate. Furthermore, it would be necessary to reach an understanding with the depositors on the procedure of issuing orders to the head offices of the branch bank concerned regarding the purchase of guilder funds and their resale in Japan.<sup>1499</sup>

If the Dutch authorities obtained the slightest knowledge of these financial transactions, the Japanese Finance Ministry realized that the Consulate in Batavia might be forced to close. Therefore in order to avoid such drastic consequences the Finance Minister suggested that the banks accept deposit funds for loans only in those cases where the Japanese nationals specifically requested that such action be taken. Other evacuees were not to be notified that such a procedure for drawing on deposits in Japan was even in practice.<sup>1500</sup>

### 634. Mr. Ishizawa Comments on Deposit Policies

In replying to the Japanese Finance Minister's message on September 9, 1941, Mr. Ishizawa pointed out that because the Netherlands government required that special permits be given for the withdrawal of current and demand deposits, it would probably be insecure to place deposit lists with the Japanese Consul-General or to issue general orders governing the purchase of guilder funds and their resale in Japan. Since the profits of Japanese planters were vested entirely in local deposits, the withdrawal of funds from the current special deposits were made virtually impossible.<sup>1501</sup>

As a substitute measure Mr. Ishizawa suggested that certificates be issued for the balances of the current and special deposits of Japanese evacuees. After these certificates had been issued, the banks concerned would earmark the balance either in its entirety or in part and notify the head offices in Japan of the action taken. Loans would then be advanced from the bank in Japan up to the limit of those earmarked funds. When the Japanese nationals returned to Japan, the certificates of balances together with their passports would serve as documentary proof of the money contained in their deposits. By adopting these measures, Mr. Ishizawa felt that remittances for travel back to Japan could be issued and loans could be advanced through Japan, against loans made abroad.<sup>1502</sup>

<sup>1496</sup> III, 1157.

<sup>1497</sup> III, 1156.

<sup>1498</sup> III, 1158

<sup>1499</sup> *Ibid.*

<sup>1500</sup> *Ibid.*

<sup>1501</sup> III, 1159.

<sup>1502</sup> *Ibid.*

### 635. Mr. Hayasaki Reports Dutch Military Preparations

On September 10, 1941 Mr. Hayasaki in Medan sent Tokyo a full report of the most recent military preparations observed throughout the Netherlands East Indies.<sup>1503</sup> At Pangkalan-Brandan and at Suban airplane direction detectors and observation posts had been set up and a heavy guard had been placed around three-fourths of the petroleum factories. However, Mr. Hayasaki commented that the marksmanship of the artillery troops recently sent from Java as a measure of defense was particularly poor. Furthermore, Mr. Hayasaki stated that during a practice drill testing the effectiveness of the explosives planted around petroleum factories and wells, the Dutch guards had been unable even to dent the drum cans. Other evidence of the apparent ineffectiveness of Dutch defense precautions came from an assistant engineer of the B.P.M. company, who reported that in order to allow the employees of factories to reach shelter, the destruction of the factories could not be completed in less than an hour. This same employee also knew the position of the light voltage wires laid around the oil fields and would be able to cut them if it became necessary.<sup>1504</sup>

Until July, Mr. Hayasaki had observed only four cannon, eight machine gun emplacements and twenty trenches between Belawan and southern Sumatra. But the smuggling activities of the Chinese increased land and sea defense lines to the south with the result that even a motor road had been constructed along this route and all defense replacements were camouflaged.<sup>1505</sup>

Throughout the villages of the Netherlands East Indies the government was urging the negro tribes to recruit volunteers, and the success of this move was evident by the fact that fifty volunteers had been recruited from the village of Belawan alone. Nevertheless, Mr. Hayasaki felt certain that if an actual crisis arose, these native troops would revolt. At the present time they proved a source of information to the Japanese, for one of these negroes confidentially informed Mr. Hayasaki that as a result of preparations for war in Propat and Tanjonbarei, Abasu, son of the Rajah of Kutaraja in the northern tip of Sumatra, was planning to take refuge in Japan.<sup>1506</sup>

On Sumatra, cannons had been placed on the heights, and stout bamboos driven in criss-cross fashion on emergency landing fields all over Atjeh. New airplane hangers were under construction in northern Samosir, the road between Lake Toba and Medan was reported very long and steep, possibly a vantage point from which to defend the island.<sup>1507</sup>

Further information gained from the manager of a Netherlands tea plantation, revealed that all male Japanese residents of the island would be interned in a former hospital in the event of an emergency. Mr. Hayasaki's secret agents had investigated the supposed internment camp rumored at Burankejyaren, and another situated near the River Rokan to the southeast of Benkulen in Sumatra, but in neither case had any trace of such a camp been found.<sup>1508</sup>

### 636. Mr. Ishizawa Requests Investigation of Shipping Problems

However, even while both Japan and the Netherlands East Indies took certain precautions against the possibility of war, representatives of both nations still endeavored to arrive at some understanding regarding trade. On September 10, 1941 Mr. Ishizawa reported that the Batavian branch of the B.P.M. firm had already been paid for goods being shipped to Japan. However, since the ship to carry this cargo would have to load at a British port, the Dutch Economic Ministry claimed to have no authority to permit the actual export of the materials. Therefore

<sup>1503</sup> III, 1160.

<sup>1504</sup> *Ibid.*

<sup>1505</sup> III, 1161.

<sup>1506</sup> *Ibid.*

<sup>1507</sup> *Ibid.*

<sup>1508</sup> III, 1162.

both the APC and RA companies were asked to apply to the British officials at Singapore and in the meantime Japanese representatives were investigating this apparent mix-up in the trade negotiations.<sup>1509</sup>

### 637. Tokyo to Facilitate Release of Confiscated Cargo

But if the Japanese merchants complained of the Netherlands trade restrictions, Dutch merchants suffered under similar measures enacted by Tokyo. In an attempt to prevent the movement of war materials to the Chungking government in July 1941, the Japanese officials in Shanghai held up and investigated a ship carrying a cargo of machines purchased by the Netherlands East Indies government.<sup>1510</sup> After the incident had been thoroughly investigated the Japanese government decided that it could not afford to incur the hostilities of such a valuable trading nation as the Netherlands East Indies. Consequently the Japanese official decided against confiscating the machinery and reported its release to the Dutch authorities.<sup>1511</sup>

But in the meantime a new Japanese official had been appointed in Singapore, and the Dutch captain had experienced difficulties in loading the third ship with cargo in question. Since the Netherlands East Indies authorities had asked that Japanese representatives in Batavia intercede in this matter, Mr. Ishizawa asked that the Tokyo Foreign Office investigate the problem and settle it.<sup>1512</sup>

### 638. Dutch Government Offices Rumored Moving to Bandong

According to Mr. Ishizawa's sources Netherlands officials believed that by November a crisis would be reached in the international situation; therefore military and defense precautions continued. Information received from a Chinese employee of the East Asia Bureau in Batavia revealed that all local offices of the Netherlands East Indies were preparing to move to Bandong secretly.<sup>1513</sup>

### 639. Mr. Ishizawa Suggests Reciprocal Shipping Arrangements to Mr. Hoogstraten (September 10, 1941)

Other shipping problems occurred almost daily. On September 10, 1941 Mr. Ishizawa called on Mr. Hoogstraten in order to determine the reason for the Dutch ship *Tzisalak*'s departure from Japan without loading any exports.<sup>1514</sup> Reminding Mr. Ishizawa that the Japanese government had been notified that the *Tzisalak* would leave Japan on September 7, 1941 either with or without the material, Mr. Hoogstraten pointed out that the export permit was not issued by Tokyo until the afternoon of September 6, 1941. Believing it impossible to complete the many loading arrangements within the specified time, the captain of the Dutch vessel sailed without the goods.

In an effort to resume friendly trade relations in spite of this misunderstanding, Mr. Ishizawa stated that the Japanese government was willing to ship the goods, for which export permits had been obtained, to the Netherlands East Indies aboard Japanese ships, provided that these ships be loaded with Dutch exports for the return voyage. Mr. Hoogstraten was pleased with this courtesy but at the same time asked that the Dutch purchases of Japanese goods internationally agreed upon and as yet not delivered be shipped with the material originally scheduled for the *Tzisalak*. Mr. Hoogstraten also made it clear that the Netherlands East Indies

<sup>1509</sup> III, 1163.

<sup>1510</sup> III, 1109.

<sup>1511</sup> III, 1112.

<sup>1512</sup> III, 1164.

<sup>1513</sup> III, 1165.

<sup>1514</sup> III, 1166.

government could allow only the exportation of sugar and corn to Japan until a definite trade policy had been established.<sup>1515</sup>

#### 640. Dutch Officials Relax Freezing Order on Japanese Banks

However, Japanese representatives in the Indies were able to report having made some progress. After negotiations had been completed by Mr. Imagawa in Batavia on September 11, 1941, the Netherlands Indies government granted permission for the transfer of 60,000 guilders to the Yokohama Specie Bank. Furthermore, the director of the Dutch Control Bureau stated that there would be no objection to relaxing the freezing regulation in order to allow the Java Bank to transfer its funds to the Yokohama Specie Bank. In view of these guarantees, there did not seem to be any obstacles in the way of the South Seas enterprises.<sup>1516</sup>

#### 641. Mr. Ishizawa Confers with Mr. Rofinck (September 11, 1941)

Nevertheless there still remained many grievances nursed by both countries. Because of the inconvenience suffered by the Japanese government as a result of the Indonesian order prohibiting the use of the Japanese language over the international telephone, Mr. Ishizawa called upon Mr. Rofinck on September 11, 1941 to request that the order be rescinded.<sup>1517</sup> Mr. Ishizawa explained that the use of the Japanese and Dutch languages over the international telephone was to the advantage of both governments. However, Mr. Rofinck refused to give a satisfactory answer.

In view of this attitude, Mr. Ishizawa suggested that Japan suspend its international telephone service. If this suggestion was to be followed, Mr. Ishizawa asked that the Foreign Office in Tokyo either advise the Netherlands Minister Pabst of the measure taken or else have the Japanese Ministry of Communications get in touch with the communication authorities of the East Indies.<sup>1518</sup>

#### 642. Japanese Official Questions Minister Pabst (September 11, 1941)

Since the misinterpretation of a conference held by Mr. Ishizawa and Mr. Hoogstraten was endangering future negotiations between the two officials, the Chief of the Japanese Trade Bureau questioned the Netherlands Minister Pabst on September 11, 1941 concerning the report sent by him to the Netherlands East Indies government.<sup>1519</sup> When originally discussing Mr. Ishizawa's report of the conference, Mr. Masutune Ogura, the Japanese Finance Minister, had impressed Mr. Pabst with the confidential nature of the disclosures. Yet, Mr. Pabst wired his government that Tokyo believed the Netherlands East Indies would grant petroleum exports to Japan if Japan removed the fear of invasion from the minds of Dutch officials by withdrawing its army from French Indo-China. As a result of Minister Pabst's message, Mr. Hoogstraten had been embarrassingly questioned by the Netherlands Governor-General and the Chief of the Economic Bureau.

In his defense Minister Pabst replied that he had asked the Netherlands East Indies government whether those views as expressed by Mr. Hoogstraten in his conference with Mr. Ishizawa were personal or whether they represented the official attitude of the Dutch government. Minister Pabst had not received an answer as yet. However, he pointed out that since Mr. Hoogstraten had been questioned by his superiors regarding the statements made, it was obvious that the remarks were purely the result of his own personal observations. Satisfied with this explanation the Japanese Bureau Chief stated that the question was settled.

<sup>1515</sup> *Ibid.*

<sup>1516</sup> III, 1167.

<sup>1517</sup> III, 1168.

<sup>1518</sup> *Ibid.*

<sup>1519</sup> III, 1169.

Since the misunderstanding was clarified, the Japanese official took advantage of the opportunity to request Minister Pabst's aid in obtaining petroleum export permits from Netherlands officials. The Bureau Chief stated that the crews of the tankers still anchored in Netherlands East Indies harbors were suffering severe hardships because of food and fuel shortage. Expressing his sympathy with this condition, Minister Pabst assured the Japanese official that he would urge Batavia to issue a definite statement regarding the shipment of petroleum and machine oil aboard the Japanese tankers.<sup>1520</sup>

#### 643. Mr. Ishizawa Continues Arrangements for Evacuees Deposit Loans

Since little hope was actually held for the rescinding of the Netherlands freezing order, Japanese nationals continued to evacuate the Indies, necessitating the completion of details governing deposit loans. In spite of the stipulations already set up by the Finance Ministry, in his message to Tokyo on September 12, 1941 Mr. Ishizawa stated that if the money were placed solely in the custody of the Yokohama Specie Bank or other Japanese branch banks, the plan might be exposed as illegal and brought to the attention of the Dutch officials.<sup>1521</sup> As an alternative measure Mr. Ishizawa suggested that while the actual disposal of all deposits could be executed by the branches of the two Japanese banks, the money would be originally placed in the custody of the Japanese Consul, for the sake of outward appearances. For example, the deposits would be listed as suspense accounts of the Consulate, and the detailed listings of the actual depositors would remain in the hands of the Japanese Consulate. Furthermore, when a Japanese evacuee made a deposit with one of these banks, he would be asked to agree that all matters connected with his money could be left entirely in the hands of the Japanese Consul, and that payments of debts could be made from money deposited in this manner. If such a financial plan were put into operation, Mr. Ishizawa believed that the amount of guilders held by these Japanese banks would increase in proportion to the number of Japanese residents withdrawing to the islands.

As a means of answering the secrecy of this plan, Mr. Ishizawa suggested that the South Seas Development Company assume the role of a loan agency in Japan. Mr. Ishizawa requested that Finance Minister Ogura pass his opinion on another plan for having the South Seas Development Company handle the deposit loans regardless of the actual measures taken to put this proposal into effect. Mr. Ishizawa promised that all care would be taken in order to prevent the disclosure of any details to either the Netherlands authorities or to the Japanese residents, not directly concerned with the plan.<sup>1522</sup>

#### 644. Mr. Ogura Opposes Stipulations of Deposit Loan Plan

Three days later Tokyo reported certain questions arising during a conference with Mr. Ogura for determining the policies to be adopted in the deposit loan plan.<sup>1523</sup> The Japanese Finance Minister believed that the official books of the Japanese banks would show an increase if Japanese evacuees deposits were accepted, even if they were credited to the suspense account of the Japanese Consulate. This increase might possibly lead to the danger of discovery by the Dutch. The Japanese Finance Minister then asked if it would be possible to send gilder paper currency to Japan by some safe method.

Since one of the major problems to be considered was the means of securing collateral for these deposit loans, Mr. Ogura was interested in Mr. Ishizawa's proposals regarding funds to be

<sup>1520</sup> *Ibid.*

<sup>1521</sup> III, 1170.

<sup>1522</sup> *Ibid.*

<sup>1523</sup> III, 1171.

used as security. Although the Finance Minister agreed that the South Seas Association should render the plan all possible assistance, he was opposed to having this company use its financial strength to back the project entirely. Mr. Ishizawa was requested to study the problems and wire Tokyo his reactions.<sup>1524</sup>

#### 645. Tokyo Issues Instructions on Use of Codes

Since these financial plans would require the utmost secrecy of execution, on September 13, 1941 the Foreign Office at Tokyo urged that Japanese officials in Batavia exercise care and discretion in the use of codes, retaining the NU (YAKKO) as long as possible. In the event that the Netherlands East Indies government prevented the use of code telegrams between Japan, the officials in Batavia were to send a plain text telegram saying "please note details".<sup>1525</sup>

#### 646. Tokyo Wires Instructions for Mitsui Tankers

In the meantime, while the Japanese Finance Ministry debated the policy of deposit loans, Japanese nationals continued to evacuate the Indies. On September 13, 1941 Tokyo ordered that the *San Diego Maru* be used as an evacuation ship.<sup>1526</sup> Both the *Teiyo Maru* and the *Kiyo Maru* were to remain in anchorage pending an official decision by the Dutch government regarding export permits for petroleum shipments to Japan.<sup>1527</sup>

Less than a week later Foreign Minister Toyoda, through the ship owners, ordered the *Teiyo Maru* and the *Kiyo Maru* to return to Japan. However, Foreign Minister Toyoda assured the Netherlands Minister in Tokyo that the tankers were forced to return because of the lack of provisions and fuel, and that the move was not to be interpreted as a lessening of Tokyo's desire to have Minister Pabst use his efforts toward the settlement of the export problem.<sup>1528</sup>

#### 647. Japan Urges Continued Trade Negotiations with the Dutch

Although it seemed evident that Japanese representatives would have to conduct these prolonged trade negotiations with the Netherlands officials on a less satisfactory basis, because of Japan's dependency upon Indonesian raw materials, Foreign Minister Toyoda on September 15, 1941 instructed trade officials to continue making concrete proposals regarding export permits and the status of Japanese merchants in the Indies. At the present time Japan found it difficult to obtain sugar, cassava roots, castor beans, maize, iron and copra. The shipping situation between Menado and Palembang and Padang was a matter of major concern to the Japanese during this period.<sup>1529</sup>

#### 648. Japanese Firms Request Exchange of Telegrams Through Consulates

In an attempt to overcome some of the disadvantages resulting from Indonesian discrimination, Japanese commercial firms were considering the exchange of telegrams with related firms in Manchukuo, China and other Japanese occupied cities through the diplomatic Consular Offices. On September 16, 1941 Mr. Ishizawa asked if Tokyo had any objections to this procedure. If none were found, it was requested that the Japanese Foreign Office instruct the firms concerned, in the type of code to be used for these communications.<sup>1530</sup>

In the reply a few days later, Foreign Minister Toyoda explained the practice of sending commercial request messages through diplomatic channels would not only inconvenience the

<sup>1524</sup> *Ibid.*

<sup>1525</sup> III, 1172.

<sup>1526</sup> III, 1173.

<sup>1527</sup> *Ibid.*

<sup>1528</sup> III, 1174.

<sup>1529</sup> III, 1175.

<sup>1530</sup> III, 1176.

Japanese Consuls but would lessen the security of the code involved. Therefore permission could not be granted.<sup>1531</sup>

#### 649. Batavia Censors Japanese News

With diplomatic relations reaching the breaking point, the Netherlands East Indies government placed Japanese activities on the islands under careful surveillance. On September 16, 1941 Japanese representatives in Batavia reported that the Dutch Information Bureau was carrying this surveillance to an actual censorship of news. Japanese newspaper stories were curtailed and only Mr. Aneta, a Japanese newspaper correspondent, was permitted to listen to the Domei broadcasts. However, many people on the islands listened to these broadcasts over short-wave sets, in this way gaining information pertaining to the Axis which Dutch censors cut out of the island news. In view of this situation, Mr. Ishizawa asked that the words in the nightly broadcasts from Tokyo to the Netherlands East Indies be increased.

Since the opinions of the Dutch people concerning Japanese trends were largely formulated on the basis of editorials appearing in Japanese newspapers, Mr. Ishizawa suggested that the Foreign Office in Tokyo supervise their writing. Furthermore, Mr. Ishizawa felt that it would be to Japan's benefit if news relating to the Japanese-Chinese war could be improved in tone.<sup>1532</sup>

#### 650. Japanese Ambassador to France Visits Holland

On September 17, 1941 Tokyo reported to Berlin an incident provoking still further the breach in Japanese-Dutch relations. At the request of the French government the Japanese Ambassador at Paris visited Holland, the scene of fighting between Dutch and German troops. This visit was subsequently regarded as a breach of international courtesy by the Netherlands government. In justifying Mr. Satamatsu Kato's action, Foreign Minister Toyoda insisted that there were precedents for envoys in belligerent countries to visit the scene of fighting upon the invitation of the countries to which they were ambassadors.<sup>1533</sup>

#### 651. Finance Ministry Formulates Policies for Conversion of Accounts

After the Japanese Finance Ministry had held a consultation on the deposit loan plan, certain tentative policies were formulated.<sup>1534</sup> For either the whole or part conversion of current and special current accounts, Mr. Ogura suggested that a fixed account or a deposit-at-call account be set up in the name of the Japanese evacuees. Wherever such conversion was not possible because the account was being used as security, that part of the account used as security, was to be established as the deposit-at-call account.

After this conversion had been effected, either the certificate of deposit or the notification of the accounts to be used as security was to be left in the East Indies Branch of the Japanese bank executing the loan. If it were inadvisable to leave either of these certificates with the Japanese bank, the Japanese Consul in the city was to be entrusted with them. When the certificates were turned over to the Japanese bank, a deposit slip signed by the Vice Consul and bearing the name of the person authorized to withdraw the funds from the bank in Japan was to be sent through the official channels of the Tokyo Foreign Office. In certain cases there was a possibility of only a part of the account being used as security. In those cases that portion of the account used as security should be so designated on the face of the deposit and no part of the security account could be withdrawn.<sup>1535</sup>

<sup>1531</sup> III, 1177.

<sup>1532</sup> III, 1178.

<sup>1533</sup> III, 1179.

<sup>1534</sup> III, 1180.

<sup>1535</sup> *Ibid.*

Foreign currency accounts of evacuees were also to be placed in the custody of Japanese branch banks and handled by them. When evacuees felt it necessary to use these funds, a certificate of their personal seals should be submitted to the Tokyo branch of the bank through the Japanese Consul as identification. When payments were to be made against these deposits in Japan, a certificate of deposit would be presented; and if the entire balance was to be paid, a voucher would have to be sent to the place of origin. If any discrepancy in the accounts were uncovered during such an examination, only the amount noted in the statement of balance in Japan would be considered accurate. The certificate validated by the Consul and sent to the Tokyo office of the branch bank was to be a standard means of identification. Any funds left in the custody of the Japanese Consul and branch banks to be converted into yen would be given special consideration.<sup>1536</sup>

On October 1, 1941 Mr. Ishizawa reported that in accordance with instructions issued by the Japanese Finance Minister in Tokyo all accounts of the evacuees leaving for Tokyo were being transferred to fixed or demand accounts. Since no objections were made to carrying out any of these instructions, Mr. Ishizawa asked that he be given further instructions as to the carrying out of these financial plans.<sup>1537</sup>

### 652. Japanese Officials to Redeem Guilder Currency

In a message to the Japanese Foreign Minister and the Chief of the Commercial Section Japanese representatives in Batavia seek ways to redeem the guilder currency possessed by the Japanese nationals evacuating the Netherlands East Indies.<sup>1538</sup> But as long as the freezing regulations existed, the Dutch officials attempted to determine the amount of guilder money placed in the Japanese banks on the islands or left in the possession of the Japanese Consul. Therefore Mr. Ishizawa felt it would be unwise to turn any of this money over to either agencies.

However, after the investigation of the Japanese branches of the Yokohama Specie Bank in Java, Mr. Imagawa uncovered a discrepancy of one million guilders in the accounts. Mr. Imagawa felt that inconspicuous juggling of these accounts would make it possible to place the money held by the evacuees into these banks in Java up to one million guilders. Mr. Ishizawa asked that only the Treasury Department and the Yokohama Specie Bank in Tokyo be made aware of the asymmetrical accounts. Furthermore, the Japanese Consul-General asked that the Foreign Minister discuss the matter directly with the Minister of Finance. Mr. Imagawa had already wired Mr. Toodori of the Yokohama Specie Bank in Tokyo to obtain his advice on the situation.<sup>1539</sup>

In a reply on October 1, 1941 Foreign Minister Toyoda stated that he had consulted carefully with Mr. Ogura and the Yokohama Specie Bank officials and it was decided that if the matter could be handled secretly, there would be no objections making any necessary arrangements immediately.<sup>1540</sup>

### 653. Japanese Intelligence Locates Indonesian Fortifications

On September 22, 1941 Mr. Ishizawa reported to the Japanese General Affairs Director on the strengthening of Dutch defense. Japanese intelligence reported that fortifications with machine gun replacements had been set up at Kalaradja, west of Batavia, and in villages to the southeast. Similar enforcements had been constructed in Tangerang and Maoek.<sup>1541</sup>

<sup>1536</sup> III, 1181.

<sup>1537</sup> III, 1182.

<sup>1538</sup> III, 1183.

<sup>1539</sup> *Ibid.*

<sup>1540</sup> III, 1184.

<sup>1541</sup> III, 1185.

Relaying reconnaissance of the Bandoeng and Merauke regions, Japanese Intelligence on September 27 and 28, 1941, located defenses of the Timanjang army post west of Bandoeng, defenses on the Tisukan River and elsewhere.<sup>1542</sup>

However, certain sections along the Netherlands East Indies coast still remained undefended. The mangroves, fish ponds and swampy areas along the shore line of Bandoeng were unguarded and Meruke, Inan and Robohan were protected by little else than coral reefs, which would present a problem to landing parties during high tide. Reconnaissance from the sea could be made because of the cocoanut groves and fresh water streams near the shore. For further information of the local military geography, Japanese intelligence agents referred the general staff of the army in Tokyo to the translation of the book on local place names prepared by Surgeon Major Fukada.<sup>1543</sup>

Basic airfields around Batavia, Bandoeng and the central regions of the islands had been located. A field for training planes had been established on the northeast side of Batavia; an aviation school, parachute company north of Bandoeng, and land and sea planes were based at Surabaya.<sup>1544</sup>

#### **654. Dutch Officials Investigate Chinese on the Islands**

Besides actual military fortifications, Dutch officials attempted to protect their defenses from the Japanese subversive intelligence activities. Although no one connected either directly or indirectly with the Japanese Consul in Batavia had been investigated, on September 22, 1941 Mr. Ishizawa reported that Mr. Tin Ryt Kiti, an official of the local branch of the Nationalist Party, and other Chinese of considerable influence on the island had been subjected to strict examination, early in the morning of September 20, 1941.<sup>1545</sup>

#### **655. Batavian Officials Restrict Travel**

As another means of ensuring the secrecy of fortifications under construction the Netherlands East Indies officials passed an order restricting the travel of persons who had entered the Netherlands East Indies since July 1, 1941 and of those who were only temporary residents of the Indies.

In view of this order Mr. Ishizawa was convinced that any negotiations to allow a Japanese General to tour the Netherlands territory would be unsuccessful. Requests had already been made for the necessary permits, but the Netherlands East Indies officials appeared insincere about their desire to grant them.<sup>1546</sup>

#### **656. Japanese Physician Seeks Admittance to Netherlands Hospital**

In spite of the diplomatic misunderstandings between Japan and the Netherlands East Indies, apparently the Japanese government wished to continue cooperative work along other lines; for, in order that Doctor Kurauchi Kikuo be permitted to experiment on the pest bacillus in the Pasteur Institute in Bandoeng, the War Department asked Foreign Minister Toyoda to use his influence in obtaining the necessary permits from the Netherlands officials.<sup>1547</sup> Believing the idea a sound one, Foreign Minister Toyoda passed the request on to Mr. Ishizawa in Batavia on September 26, 1941, urging him to make the necessary negotiations and to report on the results.<sup>1548</sup>

<sup>1542</sup> III, 1186.

<sup>1543</sup> *Ibid.*

<sup>1544</sup> III, 1187.

<sup>1545</sup> III, 1188.

<sup>1546</sup> III, 1189.

<sup>1547</sup> III, 1190.

<sup>1548</sup> *Ibid.*

In reply to this request Mr. Ishizawa pointed out that negotiations had been started to secure this permission as early as September 9, 1940. At that time Dutch officials had been anxious that an expert be chosen from the Kitazato Experimental Institute or from the Institute for the Study of Communicable Diseases to experiment in the Netherlands Hospital. Because of the change in Japanese-Dutch relations however, Mr. Ishizawa believed it would be more advisable to send a civil service employee, rather than a military man. In view of Doctor Kijuo's connection with the War Department, Mr. Ishizawa was certain that the suspicion of the Netherlands officials would be aroused and the permit refused.<sup>1549</sup>

In October, 1941 Foreign Minister Toyoda stated that at the time he had conferred with the war office, Doctor Kikuo was connected with Instructor Otten, and at present he was engaged in research at the Manchurian Railway Public Health Research Institute. Apparently the War Department decided that Doctor Kijuo continue his studies at the Dutch Hospital, for Foreign Minister Toyoda urged Mr. Ishizawa to continue his attempts to secure the permission of the Netherlands government.<sup>1550</sup>

#### 657. Japan Questions Possibility of Continuing Trade Negotiations

The Japanese government was also anxious that attempts at trade negotiations continue; therefore on September 27, 1941 Tokyo urged Japanese representatives in Batavia to report without delay on the new Dutch policy toward the general exportation of goods to Japan. The Japanese government was particularly interested in obtaining a new permit for importing the remainder of goods contracted for by the Japanese banks.<sup>1551</sup>

#### 658. Mr. Ishizawa Plans Return to Japan

In Mr. Ishizawa's opinion, however, Japanese-Netherlands East Indies officials were hopelessly deadlocked; therefore he planned to return to Tokyo.<sup>1552</sup> Before leaving, Mr. Ishizawa was visited by the Dutch Governor-General and other Dutch officials in a last attempt to clarify his stand in the negotiations and to obtain further information on the fundamental attitude toward relations with Japan. In the event that anything further was to be discussed with these officials, Mr. Ishizawa requested that Tokyo send instructions at the earliest possible moment.<sup>1553</sup>

#### 659. Mr. Ishizawa's Final Conversation with Mr. Hoogstraten (October 8, 1941)

Before resigning his post as Japanese Consul in Batavia, Mr. Ishizawa conferred with Mr. Hoogstraten for the last time on October 8, 1941.<sup>1554</sup> In referring to the replies given by the Netherlands East Indies government to Japanese trade proposals, Mr. Ishizawa accused the Dutch government of being influenced by Great Britain and the United States.

Replying that his government had maintained its individuality throughout the discussions, Mr. Hoogstraten pointed to the difference in opinion maintained by the United States and Great Britain, and the Netherlands East Indies over the Chinese question. While the United States and Great Britain could not reach an agreement with Japan on this problem, the Netherlands East Indies government experienced no difficulty in appreciating Japan's attitude. On the other hand, the Japanese occupation of southern French Indo-China constituted a direct threat to the Netherlands East Indies. Therefore it was only natural that the island gov-

<sup>1549</sup> III, 1191.

<sup>1550</sup> III, 1192.

<sup>1551</sup> III, 1193-1194.

<sup>1552</sup> III, 1195.

<sup>1553</sup> *Ibid.*

<sup>1554</sup> III, 1196.

ernment should take every means available for its self-defense. In complying with this policy of self-defense, the Netherlands East Indies cooperated with the United States and Great Britain. Mr. Hoogstraten stated that this cooperation with the allied countries would continue to increase in proportion to Japanese threats against the territory of the East Indies.<sup>1555</sup>

Mr. Ishizawa considered it extremely unfortunate that the Netherlands East Indies found it necessary to cancel the oil contracts and oil concessions formerly held by Japan, because of an unfounded fear that Japan was threatening the Netherlands East Indies. Mr. Hoogstraten replied that these contracts would only be suspended until this threat was removed.

Although insisting that it was difficult to reconcile Japanese public opinion to the Netherlands East Indies actions, Mr. Ishizawa nevertheless expressed the conviction that relations between the two countries could still be ameliorated. However, he pointed out that the freezing order adopted by the Netherlands East Indies was supposedly enforced for the purpose of reimbursing the Netherlands merchants in Japan who had apparently paid for Japanese goods up to the amount of three million yen. Upon investigation it was decided that the Netherlands companies had paid out no more than 1,500,000 yen in the beginning, and actually the Japanese exporters in the Netherlands East Indies suffered a greater loss as a result of the Netherlands freezing order. Not only had Japanese retailers been forced to close down in the Netherlands East Indies, and Japanese nationals had evacuated the islands, but 300 years of amity had been ended by this action.<sup>1556</sup>

As long as conditions remained as they were, Mr. Ishizawa could not foresee any benefit from his remaining in the Netherlands East Indies, as a representative of his government. He told Mr. Hoogstraten that he would be returning to Japan before long. Expressing his regret that a measure as strong as a freezing order had to be taken, Mr. Hoogstraten stated that for many years he had tried to maintain friendly relations between Japan and the Netherlands East Indies. Nevertheless, it was still an undeniable fact that the Japanese occupation of French Indo-China constituted a threat to the islands. Under the present circumstances improved conditions between Batavia and Tokyo did not seem very probable. Anxious that negotiations for peace continue between the two countries, Mr. Hoogstraten promised that Japanese residents on the islands would be afforded friendly treatment.<sup>1557</sup>

#### 660. Japan Decides Policies on Trade with Netherlands East Indies

After reports had been made by Japanese investigating officials, Foreign Minister Toyoda together with the Finance Minister formulated certain policies governing future trade with the Netherlands East Indies.<sup>1558</sup> The exportation of the balance of orders already contracted for by the Netherlands East Indies depended upon whether the Indonesian government would permit the wholesale distribution of these goods and guarantee not to freeze them. In the event that the Netherlands East Indies government guaranteed not to freeze these orders, the Japanese Consuls in the Netherlands East Indies were to urge Japanese importers to order the dealers in Japan to load these goods aboard the *Montreal Maru* leaving Japan October 8, 1941. Experiencing a shortage of soy sauce, soy beans and dried bonito, Japanese exporting companies did not wish to ship these materials out of Japan. However, a three months supply of soy sauce, soy bean mash and agar-agar would be loaded on the *Nissho Maru*. Dry bonito could be purchased from the Oiwa fishing interests in Menado.

<sup>1555</sup> *Ibid.*

<sup>1556</sup> III, 1197.

<sup>1557</sup> III, 1198.

<sup>1558</sup> III, 1199-1200.

Foreign Minister Toyoda then listed the amounts of these exports to be shipped to Batavia, South Makassar, and Medan. Menado was not included since it did not require any of the three products to be shipped aboard the *Nissho Maru*.<sup>1559</sup>

While the exportation of these three food products was being carried out, Mr. Hiroyasu Ino, Minister of Agriculture and Forestry, determined the methods by which competent agricultural companies could export their material to the Netherlands East Indies. When a policy had been decided upon, the Japanese Consular offices were to order all importers within their jurisdiction to wire the amount of materials needed to their home offices in Japan. If the Netherlands East Indies refused to sell essential goods to be carried as freight aboard the *Nissho Maru*, on its return voyage, Mr. Sato, Mr. Ishizawa and the various other consular offices in the Netherlands East Indies were to negotiate for the exportation of goods on hand in Japanese warehouses upon which payment had already been made. In the event that the Netherlands officials agreed to the exportation terms set up by Japan, the Consular office in Batavia, in cooperation with competent Japanese firms in the Indies, would undertake the loading of sugar, quinine, castor beans, mangrove, manganese ore, scrap iron, and palm oil upon this ship. When this decision had been reached on the loading of these materials, letters of credit were to be secured from the Yokohama Specie Bank permitting payment for these goods from the unfrozen funds from the Bank in Hawaii.<sup>1560</sup>

During the return voyage of the *Nissho Maru* Japanese nationals awaiting evacuation from the Netherlands East Indies were to be taken aboard; certain arrangements however, were still to be met with in regard to the baggage of these evacuees. Since thirty passengers and approximately twelve hundred cubic tons of cargo would be brought aboard at Sandakan, extreme care would have to be taken in the allotment of space. Therefore arrangements had to be made by competent consuls for the preferential embarkation of women and children.<sup>1561</sup> Of the 5,000 Japanese nationals living in the Netherlands East Indies, 3,500 were still to be evacuated at the end of September.<sup>1562</sup> However, on October 11, 1941 Tokyo informed Batavia that the evacuation ship *Nissho Maru* could only accommodate four hundred passengers and therefore it would be impossible to evacuate the remaining Japanese nationals.<sup>1563</sup> In the event that any of these evacuees found it impossible to pay for their evacuation, Tokyo was to be informed of the amount of money necessary to pay for the return passages.<sup>1564</sup>

During this return trip to Japan the *Nissho Maru* was to stop at Menado, Palembang, and Sandakan. If the Netherlands East Indies officials requested that the *Nissho Maru* was to board the freight already scheduled to be carried by another Japanese vessel, Japanese officials were to agree without delay, but at the same time were to wire the Economic Ministry who would in turn inform the Finance Minister. However, while agreeing to this measure, Japanese officials were to impress upon the Netherlands East Indies government that this measure was merely an expression of Japan's good will. In return it was hoped that the Netherlands East Indies officials would agree to the exportation of the 140 tons of quinine purchased by the Takeda Kobe Company prior to the freezing legislation. When disputing the materials exported from Tokyo to the Netherlands East Indies, Foreign Minister Toyoda urged that preferential distribution of these goods be made to Japanese retailers who decided to remain on the islands as long as possible. Furthermore, the Japanese Foreign Minister asked that the Japanese Consul in Batavia prevent these retailers from selling this material at reduced prices.<sup>1565</sup>

<sup>1559</sup> *Ibid.*

<sup>1560</sup> III, 1200.

<sup>1561</sup> III, 1201.

<sup>1562</sup> III, 1202.

<sup>1563</sup> III, 1203.

<sup>1564</sup> III, 1201.

<sup>1565</sup> *Ibid.*

**661. Japanese Officials Suggest Trade Through Barter Method**

On October 11, 1941 the Japanese Consulate at Batavia asked if Tokyo would agree to trade with the Netherlands East Indies by means of barter. Furthermore, he requested that his request for an exportation permit for Shanghai cotton goods be considered.<sup>1566</sup>

In reply, Tokyo pointed out that a delayed trade agreement regarding the use of barter would require too much time; therefore it was suggested that the goods on each ship be bartered for as a separate transaction.<sup>1567</sup>

**662. Batavian Officials Refuse Admission to Japanese Bacteriologist**

On October 12, 1941 Mr. Ishizawa stated that he had negotiated with the Board of Health in the Netherlands East Indies in order to secure permission for Doctor Kurauchi to experiment in the Dutch Pasteur Institute. Since the pest was more prevalent during September and October, and it was necessary to produce immunity serum during that time. Mr. Ishizawa asked that Dr. Kurauchi be admitted to the Institute around October. However, reluctant to admit Dr. Kurauchi to the Institute, Netherlands officials stated that the pest was exceptionally rare during this year, and consequently it was unnecessary to produce any of the immunity serum. Mr. Ishizawa suggested that Mr. Hoogstraten postpone his trip in view of the inauspicious circumstances.<sup>1568</sup>

**663. Japan to Operate Air Service Between Palao and Timor**

On October 16, 1941 the *Java-Bo* newspaper announced the conclusion of an agreement whereby Japan would establish an air run from Palao to the Port control section of Timor. Since the announcement had stated that the air run was not based on economic reason but was to be regarded as a Japanese strategic line, Mr. Ishizawa felt that the Netherlands East Indies, England and Australia would take further action.<sup>1569</sup>

<sup>1566</sup> III, 1204.

<sup>1567</sup> III, 1205.

<sup>1568</sup> III, 1206.

<sup>1569</sup> III, 1207.

**PART C—JAPANESE DIPLOMATIC ACTIVITIES THROUGHOUT THE WORLD**(n) *Japanese-Thaiese Relations***664. Japan Opens Further Financial Negotiations in Thailand**

On August 6, 1941 Minister Yasusato Futami, preparing to open further financial negotiations with Thailand, asked that Finance Minister Masatsune Ogura send immediate instructions regarding Japanese financial plans and policy. In opening negotiations, the Japanese Minister foresaw difficulties since Thailand feared the stand which the United States and Britain might take and since the leaders in the Thaiese Finance Ministry were gold standard advocates "of the most conservative and unprogressive type." In matters of finance, Mr. Futami declared, the Thaiese persisted in an attitude which was incomprehensible from the standpoint of Japanese-Thaiese friendship. The difficult situation was further complicated in that the Thaiese seemed to resist any "Japanese persuasion."<sup>1570</sup>

The principal points in the Japanese proposal were: that Yokohama Specie Bank should secure "baatu" by selling gold to the National Bank Office, at a maximum of 50,000,000 yen; that the gold would be kept in Japan to await sale; and that the National Bank Office would submit requests to the Japanese government for permission for actual transference of the gold.<sup>1571</sup>

**665. American Assets Are Frozen in Thai Bank**

Although three Thai banks in Bangkok had approved the crediting of Japan with 10,000,000 baatu, Minister Futami reported on August 7, 1941 that the American assets of one of these banks had been frozen, and he asked that Tokyo ascertain the basis on which the freezing order affected Thailand, since Thailand was not a country designated in the American order.<sup>1572</sup>

**666. Japan Negotiates for Needed Thaiese Exports**

The head of the Exchange Bureau in Tokyo on August 7, 1941 urged that Adviser Ryuta Ono in Bangkok exercise caution in the use of Japanese money and in the order of investments, since Japan was relying more and more upon imports from Thailand and since permits for import exchange were increasing.<sup>1573</sup> The financial adviser was instructed to exert every effort to ensure that imports from Thailand were not restricted.<sup>1574</sup>

Foreign Minister Toyoda asked particularly that no minimum limit be set on the amount of goods to be obtained by Japan. In order that Thaiese officials, however, would not be astonished during the negotiations, the figure to be used would be left to Mr. Futami's judgment.<sup>1575</sup>

**667. Tokyo Answers Inquiry in Regard to Financial Negotiations**

In answer to Minister Futami's message requesting that he be informed of Foreign Minister Toyoda's opinions before opening negotiations, the Japanese Foreign Minister on August 8, 1941 declared that the remittance of specie payment to Thailand was unavoidable, since pay-

<sup>1570</sup> III, 1208.

<sup>1571</sup> III, 1209–1211.

<sup>1572</sup> III, 1212. (President Roosevelt issued an executive order freezing Japanese assets in the United States on July 25, 1941. England took similar action on July 26, 1941.)

<sup>1573</sup> III, 1213–1214.

<sup>1574</sup> III, 1215.

<sup>1575</sup> III, 1216.

ment must be made for excessive imports over exports, although he agreed with Minister Futami that the advisability of making payment in specie, which could change with the revision of the currency law, was questionable. In making payments in specie, the price was to be set by taking, as a basis, the exchange value of baatu versus the dollar and the price of gold in the United States (\$35.00 an ounce).<sup>1576</sup>

#### 668. Thailand Issues Warning as Japanese Troops Draw Nearer

Meanwhile Thailand, still attempting to protect its boundary lines, was watching the activities of the Japanese troops in French Indo-China. On August 8, 1941 Mr. Nai Pananow Wanitto warned the Japanese Foreign Minister that the position of the Japanese army of occupation, extremely close to the boundary of Thailand, might provoke animosity between the French and Japanese which would leave the field clear for the execution of English and American schemes against Japan. Minister Futami asked his home government to consider a way to have the Japanese army take precautions.<sup>1577</sup>

#### 669. Japan Fears British Influence in Thailand

Although it was impossible by August 8, 1941 to substantiate reports that Britain had asked Thailand for the use of military bases for British troops, Minister Futami surmised that United States and England had engaged in underhanded machinations, judging from the difficulty Japanese officials experienced in getting Thailand to recognize Manchuokuo and in advancing credits to the Yokohama Specie Bank.

However, Japanese propaganda relating to the failure of the Americans and British to carry out their guarantees of assistance to various countries in Europe was having a restraining influence upon the Thaise government.<sup>1578</sup>

Apparently as a result of Domei news items released to Thaise newspapers on August 2, 1941, an announcement by the Thaise information bureau declared that:

"Thailand desires to maintain impartial friendly relations with all nations and has never yet been faced with military demands from other nations. But if invaded by another nation, Thailand will fight to the last man."<sup>1579</sup>

It was not known, Mr. Futami reported, whether this statement was made in connection with the Domei releases or with the *Stockholm Telegram*, which stated that should Japan attempt to conclude a treaty with Thailand similar to the one concluded with French Indo-China, Britain would fight.<sup>1580</sup>

#### 670. Japan Appoints Teiji Tsubokami as Ambassador to Thailand

Through Mr. Derreck,<sup>1581</sup> the French Consul General at Bangkok, Minister Futami learned on August 8, 1941 that Prime Minister Luang Songram Pibul believed that the transfer of the Thaise Vice Minister of Defense to Ambassador to Japan was impossible, in spite of the fact that Japan strongly favored his appointment. The present Minister to Japan, however, could be elevated to Ambassador; but in case Japan did not desire this, Thailand could only make the present Minister a Charges d'Affairs, which would injure the Minister's feelings, causing him to return home at once. In considering these things, Mr. Futami advised Tokyo on August 8, 1941 that in interviewing Prime Minister Pibul on August 9, he would say merely that Japan desired that Col. Luang Bhrom Yothi Puromu, the Thaise Vice Minister of Defense, be appointed to the post, without making too big an issue of this matter.<sup>1582</sup>

<sup>1576</sup> III, 1217.

<sup>1577</sup> III, 1218.

<sup>1578</sup> III, 1219.

<sup>1579</sup> III, 1220.

<sup>1580</sup> *Ibid.*

<sup>1581</sup> Nai Chayanama Direk, appointed Foreign Minister of Thailand on August 23, 1941.

<sup>1582</sup> III, 1221.

That Mr. Teiji Tsubokami's appointment as Ambassador to Thailand was approved by the Thaiese Council was, on August 8, 1941, confided to Minister Futami, who awaited the submittance of a formal reply of acceptance.<sup>1583</sup>

It had long been Japan's expressed desire to have the Missions in the two countries raised to Embassies simultaneously. This fact was reiterated in a dispatch to Minister Futami on August 9, 1941, at which time it was also declared that these appointments were being unnecessarily delayed, possibly through the intervention of a third country attempting to manipulate affairs in the interior. If the Thai appointment were further delayed, Mr. Tsubokami would assume his post immediately, without awaiting the appointment of an Ambassador to Japan.<sup>1584</sup>

### 671. Japan Fears that Other Countries Will Desire Raise in Legation Statue

Reporting on the Embassy question as of August 12, 1941, Minister Futami informed Tokyo that Prime Minister Pibul had telephoned an official, while he (Futami) was in the office, to ask that a proposal concerning the conversion of offices be drawn up. The Thaiese Prime Minister had revealed, on being questioned, that although the British and American Ministries had been cognizant of this impending change for nearly a year, neither Great Britain nor the United States appeared interested in having the same privilege. Furthermore, in the United States a Senator had approached President Roosevelt with the suggestion that the American Minister to Thailand return home, but the President had not consented to this. Nevertheless, Mr. Futami predicted that the American official would return to the United States before long.<sup>1585</sup>

### 672. Thailand Recognizes Manchukuo

Thailand recognized Manchukuo in August, 1941 notifying both the Prime Minister of Manchukuo<sup>1586</sup> and Foreign Minister Toyoda of its decision.<sup>1587</sup>

Declaring that it wished to establish a Legation in Thailand, a move which might entail delicate manipulations, Manchukuo asked on August 14, 1941 that the Imperial Japanese government wire its opinions on this subject.<sup>1588</sup>

### 673. Japan Continues Financial Negotiations

On August 15, 1941 Minister Futami again raised the currency question with the Thaiese Prime Minister but was put off by the reply that many men within the Thaiese government were of diverse opinions, and that instead, he, the Prime Minister, was suggesting frequent conferences and direct cooperation between the Japanese Minister and himself. Minister Futami, in his dispatch to Tokyo, considered bringing pressure to bear on Thailand but suggested that merely to watch developments might be best for a time.<sup>1589</sup>

Although the Legation in Bangkok had received Foreign Minister Toyoda's plan for purchasing rice, the office had not yet received his dispatch pertaining to the use of the Yokohama Specie Bank and pertaining to the inadvisability of limiting goods procurable from Thailand at the time, August 8, 1941, when Adviser Ono had discussed a financial agreement with Thaiese authorities and had requested a decision. On August 15, 1941 Japanese officials were informed that the agreement would be presented to the Cabinet at the next meeting, and Mr. Shunsuke Asada, First Secretary of the Japanese Legation in Thailand, said that formal

<sup>1583</sup> III, 1222.

<sup>1584</sup> III, 1223.

<sup>1585</sup> III, 1224.

<sup>1586</sup> III, 1225.

<sup>1587</sup> *Ibid.*

<sup>1588</sup> III, 1226.

<sup>1589</sup> III, 1227.

signing would not take place until August 20, 1941. For this reason, Mr. Seki, of the Yokohama Specie Bank, was to have everything in readiness to take custody in behalf of Thailand of the gold to be sold. The Minister requested that the agreement be kept secret in view of future negotiations and pressure which might be exerted upon Thailand by Britain and the United States.<sup>1590</sup>

On August 16, 1941 the entire letter from the manager of the Yokohama Specie Bank to the Thailand Consortium, containing terms of the agreement, was transmitted from Bangkok to Tokyo.<sup>1591</sup>

To increase Japanese exports to Thailand, the Japanese Minister asked Tokyo for a list of articles which could be shipped to Thailand as a result of the stoppage of their exports to the United States, Britain, and Canada.<sup>1592</sup>

#### 674. Japanese Intelligence Discloses British-American Reactions to Japan's Southward Expansion

A Japanese intelligence agent in Harbin reported on August 15, 1941 that, according to information from the British Embassy in Chungking, the United States and Great Britain had decided upon countermeasures to check Japan's southward advance. These two countries were disseminating propaganda to the effect that they would have to take military measures if the Japanese-Thaiese agreement were not abrogated, in which case, increased Anglo-American economic demands would be made on Thailand. From the standpoint of supplies, Britain would have to increase its air force in Burma to prevent Japan from sending a military force into Thailand.<sup>1593</sup>

#### 675. Thailand Declares Its Sovereignty

A mix-up in dispatches or a misunderstanding evidently occurred at this time, for the telegram transmitted in answer to Japan's query concerning British Minister Sir Josiah Crosby's statement, referred only to Thailand's strong declaration of sovereignty, Tokyo learned on August 11, 1941. It was not clear, but it was believed that the Domei news releases carried in the English newspapers in Thailand referred to Crosby's statement that Britain would give favorable consideration to Thai's demands for the recovery of territories lost to Burma.<sup>1594</sup> On August 16, 1941 Minister Futami was asked to wire at once regarding his method of handling this matter and what reaction it had aroused.<sup>1595</sup> In answer to the inquiry from Tokyo concerning the publications of the British Minister's statement, on August 18, 1941, Minister Futami declared that the publication of the statement by the editors of Thailand's vernacular and English language press might lead to the suspension of those newspapers. He had given the material to the Japanese correspondents who wired it to Tokyo, where it had been rewired to Thailand. Furthermore, the Japanese correspondents had quoted, as the source, a rumor picked up in the city.<sup>1596</sup>

#### 676. Japan Proclaims Ambassador's Appointment on August 16, 1941

On August 14, 1941 Minister Futami was notified that Ambassador Tsubokami would be inducted officially as Ambassador to Thailand on August 16, 1941, the appointment to be proclaimed by Imperial order. Whether a formal appointment of Thaiese Ambassador to Japan

<sup>1590</sup> III, 1228.

<sup>1591</sup> III, 1229-1230.

<sup>1592</sup> III, 1231.

<sup>1593</sup> III, 1232.

<sup>1594</sup> III, 1233, 1220.

<sup>1595</sup> III, 1234.

<sup>1596</sup> III, 1235.

had been made or not, Japan wished its Ministry in Tokyo raised to an Embassy on this date, and officials of the government were to be so informed.<sup>1597</sup>

Furthermore, since the simultaneous promotion in status of the Embassies was definitely promised, if Thailand should delay the promotion of the Embassy, hard feelings would result, Foreign Minister Toyoda declared on August 14, 1941. No objections would be raised in Japan, should the present Minister or the present Secretary act as Charge d'Affaires.<sup>1598</sup>

Informed on August 15, 1941 of Japan's decision to promote the Embassies the next day, Prime Minister Pibul adamantly reiterated that Thailand could not raise the status of its Legation in Japan before August 14, 1941. Thailand preferred to appoint Mr. Pahya Sri Sena as Ambassador, temporarily, and desired Japan's agreement to this. He repeated that there was no question of raising any other country's Legation status in Thailand.<sup>1599</sup>

An announcement that the Japanese government had elevated the Imperial Legation in Thailand to the rank of Embassy and had appointed Teijo Tsubokami as its first Ambassador was transmitted by circular letter to Berlin on August 16, 1941.<sup>1600</sup>

The Thaise Foreign Office on August 18, 1941 asked that the Japanese government approve the appointment of Minister Pahya Sri Sena as Ambassador to Japan.<sup>1601</sup> On the same day Japanese officials in Tokyo learned that the Thaise government had approved the appointment of Mr. Willys R. Pech as American Minister to Thailand.<sup>1602</sup>

On August 19, 1941 Mr. Shunsuke Asada learned, in an interview with Mr. Naijaiyanamu Direck, French Foreign Minister at Bangkok, that Thailand still planned officially to raise the status of its Legation in Japan on August 24, 1941. Such promotion would be made as soon as the Japanese government agreed to the appointment of Minister Sena to Ambassador. Dr. Direck asked whether the raise in status should be dated as of August 16, or as of August 24, 1941.<sup>1603</sup>

#### **677. Japanese Agents Report That the British-Thaise Trade Agreement Is Discontinued**

Secretary Asada on August 17, 1941 relayed to Tokyo the information that the agreement between Britain and Thailand had been practically dropped, although Britain had arranged to purchase petroleum, beer and other goods. Of late, it was added, Britain had been eagerly trying to curry favor with Thailand.<sup>1604</sup>

Although as much as eighty per cent of the rubber and forty per cent of the tin shipments were being supplied to Japan, the Thai Minister informed the Japanese Foreign Minister on August 21, 1941 that the shortage of shipments of tin and rubber to Japan was due to Britain's exerting pressure to prohibit exports to Japan.<sup>1605</sup>

Concerning the establishment of a Manchukuoan Legation in Thailand, the Imperial government postponed its answer to Manchukuo as to the formation of its policy, approval or disapproval of such action until Ambassador Tsubokami assumed his post, Bangkok was informed on August 21, 1941.<sup>1606</sup>

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<sup>1597</sup> III, 1236. (Another country's promotion of Ministry could not be considered legal until official credentials were presented, and telegraphic photostats would not suffice, Thailand was to be reminded.)

<sup>1598</sup> III, 1237.

<sup>1599</sup> III, 1238.

<sup>1600</sup> III, 1239.

<sup>1601</sup> III, 1240.

<sup>1602</sup> III, 1241.

<sup>1603</sup> III, 1242.

<sup>1604</sup> III, 1243.

<sup>1605</sup> III, 1244.

<sup>1606</sup> III, 1245.

## **678. Japanese Minister Futami Learns That Thailand Did Not Disarm**

From intelligence sources, Mr. Futami learned on August 19, 1941 that Prime Minister Pibul had ignored the stipulations of the Thailand-French Indo-China peace treaty, and instead of withdrawaing his army from the demilitarized zone one month after it was handed over, had ordered that the Thai troops be garrisoned there for two months. Furthermore, he seemed to have issued secret orders to extend this period to three months in case the French did not protest.<sup>1607</sup>

## **679. Japan Decrees That Ambassador Tsubokami Assume Thai Post on September 1, 1941**

On August 20, 1941 Foreign Minister Toyoda asked that, since Ambassador Tsubokami would leave Tokyo on September 1, 1941 to take up his new post, Japanese officials in Bangkok reply by telegraph with any suggestions they might have in regard to the presentation of credentials or other preparations to be carried out.<sup>1608</sup>

On August 22, 1941 Foreign Minister Toyoda directed an inquiry to Minister Futami in Bangkok concerning his opinion of the appointment of Pahya Sri Sena to the post of Thaise Ambassador to Japan.<sup>1609</sup>

## **680. Japanese Officials Plan Special Ceremony to Present Japanese Ambassador**

Minister Asada explained on August 22, 1941, in answer to a wire requesting suggestions as to the Ambassador's presentation ceremony, that a very formal ceremony was observed in the presentation of Ministers, but that no precedent existed for Ambassadors, since Thailand had never before had one. Thailand, he said would like to use the same presentation method used by Japan.<sup>1610</sup>

## **681. Thaise Counter Proposal Delays Financial Negotiations**

Thailand suddenly presented a new proposal on August 19, 1941, which nullified the original financial proposal, thereby creating an unavoidable delay so that signatures could not be affixed on August 20, 1941. Minister Futami, in the light of these developments, informed Tokyo that they were holding to the original proposal, but changing to diplomatic negotiations.<sup>1611</sup>

Complicating the financial proceeding was the report sent to Tokyo on August 22, 1941 to the effect that an issue freezing all payments had been put into effect in Thailand. The restrictions placed on remittances were no less stringent than they had been immediately following the freezing, and, as a result the remittances for Chinese by trust companies and banks had been resumed.<sup>1612</sup>

## **682. Japan and Thailand Conclude Their Financial Agreement on August 26, 1941**

The exchange of memoranda between Minister Futami and Finance Minister Purajitto concerning the transfer of gold to Thailand took place on August 26, 1941. The gold already sold to Thailand was to be kept at the Bank of Japan or transported to Bangkok at the option of the Thai Finance Minister. At such time when the transportation of gold was requested, the Japanese government promised to grant to the Yokohama Specie Bank the requisite permit for such transportation,<sup>1613</sup> the cost of which was to be borne by the Yokohama Specie Bank. The

<sup>1607</sup> III, 1246.

<sup>1608</sup> III, 1247.

<sup>1609</sup> III, 1248.

<sup>1610</sup> III, 1249.

<sup>1611</sup> III, 1250.

<sup>1612</sup> III, 1251.

<sup>1613</sup> III, 1252.

Thailand National Bank of Bangkok, however, would compensate the Japanese Bank for this expenditure.<sup>1614</sup>

Further details of the agreement signed on August 26, 1941 were transmitted to Tokyo on this day, and details of variance from the original Japanese proposal were explained. Representing Japan at the conference when the agreement was signed were Minister Futami, Adviser Ono and Secretary Aighi; and representing Thailand were Finance Minister Purajitto, French Consul-General Direck, Foreign Minister Pibul and Trade Bureau Chief Nai Wanit-to.<sup>1615</sup>

### 683. Japan Announces Agreement to Press

On August 28, 1941 the Thaisee Finance Minister informed Thaisee newspaper men of the terms by which the Thaisee National Bank would purchase gold from the Yokohama Specie Bank. He disclosed that an agreement had been made whereby bullion earmarked for Thailand could be left in Japan or could be transferred to Thailand. Minister Asada informed Tokyo on August 28, 1941 that he had made the same statement to Japanese newspapermen in Bangkok.<sup>1616</sup>

That 15,000,000 bahts had been received in Thailand on August 29, 1941 from the Yokohama Specie Bank was reported by Minister Asada.<sup>1617</sup>

The Vice Finance Minister in Japan explained on August 30, 1941 to Adviser Ono in Bangkok that the bullion to be sold to the Thaisee National Bank had been transferred to the Yokohama Specie Bank.<sup>1618</sup>

### 684. Japan Blames British and American Propaganda for Anti-Japanese Feeling in Thailand

The Japanese Ambassador to Italy, Mr. Zenbei Horikiri, learning confidentially the contents of a report which the Italian Minister in Bangkok had transmitted to his home government, relayed these comments to Tokyo on August 23, 1941. The Italian Minister believed that Thai's attitude was unsettled, because of the fact that British and American propaganda was being extensively carried on and because the military and economic pressure exerted by Britain and the United States was having some effect. Because of Japan's constant excessive interference, a revulsion of feeling was arising among the Thai people.<sup>1619</sup>

Paraphrasing the dispatch which had been sent to him by the Japanese Ambassador at Rome, Foreign Minister Toyoda sent to Bangkok on August 26, 1941 information concerning the attitude of the Thaisee people toward Japan and Britain, attributing such feeling to the pro-American and pro-British faction in the Thaisee Cabinet and to economic and military propaganda.<sup>1620</sup>

### 685. Japan Refuses Crude Oil Supply to Thailand

Protesting that Thailand had arranged to purchase enough crude oil from Britain to maintain operations of her oil refineries, Japan, on August 29, 1941, declared that it would be impossible for Japan to supply crude oil to Thailand. However, if it became absolutely necessary, Japan might furnish a small amount.<sup>1621</sup>

<sup>1614</sup> III, 1253.

<sup>1615</sup> III, 1254.

<sup>1616</sup> III, 1255.

<sup>1617</sup> III, 1256.

<sup>1618</sup> III, 1257.

<sup>1619</sup> III, 1258.

<sup>1620</sup> III, 1259.

<sup>1621</sup> III, 1260.

## 686. Japanese "Theatre Group" Visits Thailand to Film Landscape and Shipping Activities

Minister Futami was directed on August 30, 1941 to prepare officials for the visit of the *Asahiyama Maru*, from which pictures of Bangkok and the landscape and shipping activities along the Mekong River would be taken for use in the Japanese film "Kamotsu Sen" or "Cargo Ship." The photographer's visit would extend from the middle of September to the middle of October 1941.<sup>1622</sup>

## 687. Japan Investigates the Reception of Domei News Broadcasts

In a circular sent from Tokyo during the latter part of August, 1941 an inquiry concerning the reception of Domei broadcasts was addressed to Japanese officials in Thailand. Service messages, however, from Bangkok, Berne, and Vichy indicated that it was impossible to decode the circular dispatch.<sup>1623</sup>

In a supplementary dispatch to the circular, sent on September 3, 1941, however, Tokyo requested that an investigation regarding the reception of Domei news broadcasts to Thailand be reported upon. Especially were Japanese officials concerned with treatment of news by government organs, officials, and newspapermen receiving Domei broadcasts, as well as wave lengths, frequencies and the broadcast time best suited to the deadlines of Thaisee newspapers.<sup>1624</sup>

In answer to these inquiries, Ambassador Tsubokami replied on September 6, 1941 that the news was received by two wireless stations which were the only available channels for news in the city. The receptions of the broadcasts were good, and the times of transmission were suitable. However, the Ambassador suggested that to avoid having Domei news indiscriminately broadcast abroad, Japan pay special attention in the selection of the right news, concentrating on world news rather than on that originating in Japan. He added that Thaisee newspapers were making fairly good use of Domei news.<sup>1625</sup>

## 688. Japan Continues Negotiations for Tin and Rubber Products

Foreign Minister Toyoda on September 4, 1941 was considering the Thaisee request that Japan supply the country's oil refineries with crude oil. He argued that if the crude oil in question were not supplied, the oil refineries would become idle, thus creating the danger of their falling into the hands of the British. In view of future negotiations for rice, rubber, tin, and other products, the Foreign Minister decreed that Japan would dispose of the crude oil question in an especially friendly attitude based on a general consideration of Japanese-Thaisee friendship.<sup>1627</sup> Although a direct appeal concerning the crude oil supply was made by Thaisee Minister Pahya Sri Sena to Foreign Minister Toyoda in Japan, Prime Minister Pibul expressed his regret on September 4, 1941, explaining in answer to a Japanese inquiry that the Thaisee Minister had made the proposal through a misunderstanding and entirely of his own volition. Secretary Shunsuke Asada in Bangkok thought that the Thaisee Minister had submitted his appeal in the hope of softening Japan's strong attitude.<sup>1628</sup>

## 689. Mr. Asada Gives Opinions on Thailand's Reaction to the French Indo-China Occupation

Apparently at the request of his home government, Mr. Asada, First Secretary of the Legation in Thailand and Consul-General at Bangkok, reported his views to Foreign Minister

<sup>1622</sup> III, 1261.

<sup>1623</sup> III, 1262-1263.

<sup>1625</sup> III, 1265.

<sup>1626</sup> III, 1266.

<sup>1627</sup> III, 1267.

<sup>1628</sup> III, 1268.

Toyoda on September 4, 1941. All classes, he said, were very much aroused by the Japanese occupation of French Indo-China, with Russian, English, and American propaganda attempting to organize an international pro-Anglo-Saxon front. The Japanese occupation had been used both to frighten the people and government officials and to turn them against Japan, a scheme which was only partially successful. In spite of this recent critical situation, which had allowed the United States to exert considerable pressure, Thailand's propaganda bureau was nervously denying to Japanese news agencies the existence of any Anglo-American propaganda, and was vouching for Thailand's neutral policy.<sup>1629</sup>

#### **690. Adviser Ono to Return to Japan**

Following the completion of the exchange agreement with Thailand, Japanese Adviser Ryuta Ono, on September 6, 1941, was instructed to return to Japan.<sup>1630</sup> Ambassador Tsubokami informed Tokyo on September 8, 1941 that the Adviser and his party would return by way of the South Seas and French Indo-China, leaving Bangkok about September 17, 1941. Foreign Minister Toyoda was asked to confer with him upon his return concerning Japan's future policy in Thailand.<sup>1631</sup>

#### **691. Thailand Attempts to Restrict the Entrance of Japanese Nationals**

Japanese authorities in Bangkok were advised on September 6, 1941 that Japanese who planned to visit Thailand for the purpose of travel were being prevented from entering that country. Referring to a bill being considered by the Thaise Council, the Japanese Foreign Minister asked whether the bill in question contained any phrasing which would inconvenience Japanese nationals who desired to reside in that country. He further inquired concerning the restriction of Japanese travelers to Thailand.<sup>1632</sup>

#### **692. Japanese Officials Discuss British-Thaise Trade Agreement**

Meanwhile Japanese officials in Bangkok, watching British-Thaise economic negotiations closely, transmitted to Tokyo on September 8, 1941 the contents of a British note written to the Thaise Foreign Minister. According to the diplomatic communication, Great Britain agreed to supply Thailand with enough cotton to fulfill a part of the British demand for burlap sacks. In exchange, Thailand was asked to oppose every kind of pressure originating from the "new order" or the "sphere of co-prosperity". Furthermore, Thailand would continue the policy of not re-exporting empty sacks; would increase the export of rice to British territories; and would begin the exportation of rice to the Malay States as agreed upon.<sup>1633</sup>

Japanese officials were concerned when it was reported that the Thaise ship, *Suriyotai*, had sailed for Shanghai on September 5, 1941 with a cargo of 1,000 tons of rubber, and that another ship would sail with a similar cargo during the next month. It was believed that such shipping would limit Japanese future purchases.<sup>1634</sup>

#### **693. Ambassador Tsubokami Suggests Methods of Propaganda Improvement**

Pointing out that the great confidence of the Thaise government and people in the ultimate victory of England and America formed the greatest obstacle to the Japanese diplomatic policy in Thailand, Ambassador Tsubokami suggested in a dispatch sent on September 13, 1941 that English versions of Japanese news be furnished Thailand's newspapers, meanwhile

<sup>1629</sup> III, 1269.

<sup>1630</sup> III, 1270.

<sup>1631</sup> III, 1271.

<sup>1632</sup> III, 1272.

<sup>1633</sup> III, 1273.

<sup>1634</sup> III, 1274.

putting more and more strength into Japanese propaganda. In addition, it would be profitable for Japan not only to stress world news but also to give analysis of current events, and occasionally to broadcast editorials from Japanese newspapers and magazines. Moreover, since Chinese-Penang broadcasts had retaliated the Imperial government's "co-prosperity sphere theory" with a "co-poverty sphere theory", it had become increasingly necessary that Japanese propaganda persuade Thailand to realize the advantages of a future entirely separated from American-British economy.<sup>1635</sup>

#### 694. Japan Plans Joint Japanese-Thailand Shipping Company

In connection with the establishment of a joint Japanese shipping concern, Mr. Nai Wanitto, Chief of the Thailand Trade Bureau, had discussed such plans with Japanese officials in Tokyo. Consequently, representatives of the Yamashita Steamship Company were planning to come to Bangkok, a dispatch of September 13, 1941 to Tokyo disclosed. In pushing the aims of Japanese economic expansion in Thailand, it would be to the advantage of Japanese shipping interests to watch the purchase of steamers by the Thai Oil Company, which ships would be entirely under Thai ownership.<sup>1636</sup>

On September 16, 1941 Foreign Minister Toyoda revealed that the Imperial Navy's real aim in establishing a steamship line was "to grasp control of Thaise shipping rights". To make it appear that the primary object was to facilitate shipping and trade between Japan and Thailand, the navy had left the establishment of the concern to Rear Admiral Kanemitsu Yamashita. Following the authorization of the Japanese Treasury of the first fourth of 1,000,000 baht to be appropriated for the cost of the undertaking, and with the Communications Department's approval, Japan awaited only Thai's action. Foreign Minister Toyoda added that the delinquency shown by Thailand in this matter was not pleasing to Japan. Since the provisional signature executed by Mr. Nai Wanitto and Mr. Yamashita in Tokyo was "private and confidential", the Foreign Minister was curious as to which points have caused the wrangling. Were the Thaise suspicious of the deal, he inquired, or was it that they did not think much of Mr. Wanitto?<sup>1637</sup>

#### 695. Bangkok Minister Helps to Evacuate Japanese Nationals in East Asia and India

Meanwhile through the offices of Minister Ishizo Kobayashi in Bangkok, preparations were being made by the Japanese government on September 10, 1941 to evacuate retail merchants and other Japanese nationals from the Near East, India, and East Asia. For this purpose the *Hie Maru* was reported on September 11, 1941 to be scheduled to leave Kobe on September 22, 1941 and to evacuate Japanese nationals at Bombay, at an Iranian port, and at a colony in North Africa.<sup>1638</sup> These dispatches transmitted at Bangkok for Minister Kobayashi did not reach him since he had already departed for Calcutta where code telegrams were not permitted. Consequently, Tokyo was asked to handle these dispatches directed to him through the head office.<sup>1639</sup> The *Akagisan Maru* would sail from Yokohama on September 16, 1941 and arrive in Bangkok on October 15, 1941 possibly in connection with assisting in the evacuation. Furthermore, Technician Saichiro Akada, a mint official, was scheduled to embark on the *Delhi Maru* for Thailand.<sup>1640</sup> Since he would carry with him 50 grams of pure gold and 150 grams of pure silver, Japan directed that Japanese officials speak to the Thaise government about clearing this amount through customs.<sup>1641</sup>

<sup>1635</sup> III, 1275.

<sup>1636</sup> III, 1276.

<sup>1637</sup> III, 1277.

<sup>1638</sup> III, 1278-1279.

<sup>1639</sup> III, 1280.

<sup>1640</sup> III, 1281.

<sup>1641</sup> III, 1282.

### 696. Japan Plans to Establish and Control Thaise Hydro-electric Power Station

In spite of the fact that the closing date for the submission of specifications for the hydro-electric power station in Thailand had been August 31, 1941, Secretary Yokota in Bangkok advised Tokyo officials on September 15, 1941 that he had asked for a month's extension of time.

Although by August 31, 1941 the Kurisuchan Niiruson Company of Japan had submitted its specifications, it was necessary that the Mitsui Company, the government organ, submit specifications by the end of September.<sup>1642</sup> In establishing this new firm, the secretary advised that the chairman of the board of directors who would also serve as president of the company, be a native of Thailand, possibly a Japanese having Thaise nationality. Since Japan was supplying the capital, it would have actual control.<sup>1643</sup> On September 20, 1941, in spite of these assurances from Secretary Yokota, The Chief of the Planning Section of the Communications Ministry asked whether it was arranged between the Mitsui Company of Bangkok and Thaise authorities that the plans be submitted by the Mitsui home office in Japan.<sup>1644</sup> Ambassador Tsubokami added that Japanese-Thailand relations would be improved by co-operating with Thailand in developing the hydro-electric power. Since such action would do much to establish confidence and good faith, the Ambassador felt that the government itself should assist and guide this enterprise.

It would be a "shrewd business move" to show moving pictures of some of Japan's hydro-electric works where the water was profuse, although models of the engineering work had already been prepared. Such moving pictures, however, would not be shown to Thaise government officials, since they might be "too quick to take it as propaganda".<sup>1645</sup>

### 697. Thailand Declares Neutrality Stand

Thailand would consider any country that invaded its boundary lines as an enemy, Ambassador Tsubokami told Japan in a dispatch to Tokyo on September 17, 1941. This information he learned from the Italian Minister in Thailand, who, in turn had relayed the information from Mr. Direck, the French Consul-General at Bangkok. Mr. Direck believed that it was very difficult to accept the principle that one country's fate should be entrusted to another because of some coincidence. Mr. Direck believed that within the government itself there was no particular dispute, but that Thailand was finding the problem of its policy toward England and Japan a difficult one. Although the problem was largely one of economics, politically it was difficult for the Thaise and the Japanese to see eye-to-eye on some points. In the opinion of the Italian Minister, such a "wait-and-see" attitude on Thailand's part was due to the Konoye message<sup>1646</sup> and to the fact that the German-Soviet campaign was not turning out to be a brilliant affair.<sup>1647</sup>

### 698. Japanese Agents Gather Intelligence on British Malaya and Thailand<sup>1648</sup>

In view of the fact that the Wanitto incident had given Japanese-Thaise diplomacy such a serious set-back, the Japanese military attaché at Bangkok felt that future relations must be conducted with the utmost discretion. Therefore, on September 19, 1941, Colonel Hiroshi

<sup>1642</sup> III, 1283.

<sup>1643</sup> III, 1284.

<sup>1644</sup> III, 1285.

<sup>1645</sup> III, 1286.

<sup>1646</sup> III, Part A. (Prime Minister Konoye's dispatch to President Roosevelt)

<sup>1647</sup> III, 1287.

<sup>1648</sup> These messages from the Japanese military attaché files were not translated until January, February, March and April of 1945. Colonel Hiroshi Tamura was the Japanese military attaché in Thailand at the time these messages were sent out over the wires in 1941.

Tamura urged that all officers be sent from Tokyo incognito in order to safeguard the secrecy of their activities while in Thailand.<sup>1649</sup>

The following day, September 20, 1941, Bangkok asked for information about one of these Japanese officers. In the latter part of August 1941 the Japanese Foreign Office had ordered its consulate at Songkla to transfer student secretary, Mr. Shimizu Juichi, to Chiengmai for the purpose of collecting intelligence on the trend of affairs in British Malaya and southern Thailand. Since the Bangkok military attaché felt that some knowledge of English was necessary for an understanding of the situation here, he asked that Tokyo send Mr. Gato or some other secretary with a linguistic background to either replace or assist Mr. Juichi.<sup>1650</sup>

Evidence that the Japanese intelligence organization had already been functioning in these areas with considerable efficiency was seen in a report from Bangkok on September 22, 1941 to the General Staff at Tokyo and to Saigon. Details on the piers and the bridge of the railroad extending over a river somewhere between Aranya and Mongkol Boery were so complete that they even included information on the speed of the river current, the clay along the river bottom and the mud around the footings.<sup>1651</sup>

With regard to the Thailand-Aranya Railroad, Japanese intelligence disclosed that approximately one hundred coolies were employed, possibly in extending the line further into Thailand. Railway sleepers were accumulating on the Aranya side.<sup>1652</sup>

Japanese subversive measures were being carried out successfully in Malaya, according to a message sent to the head of the General Affairs Department in Tokyo on September 24, 1941. Two Japanese leaders had already been located and the Japanese military leader at Bangkok was prepared to begin activities.<sup>1653</sup>

Besides employing undercover methods, Japan attempted to improve its status in Thailand by granting special requests. On September 25, 1941 Bangkok notified Tokyo General Air Headquarters that a private aviation company in Thailand, the "ATC", planned to open a Bangkok-Songkla run. On the recommendation of Colonel Pamu this company was going to ask Japan for the immediate loan of one bi-motor advanced training type of plane now used by the Japanese army. After considering the expansion of their air routes and the present equipment of the Songkla airfield, the military attaché at Bangkok advised that Tokyo grant the "ATC" company's request. Perhaps the most important reason for loaning a bi-motor plane at the present time and supplying the company with others in the future, Colonel Tamura intimated, was to prevent the company from negotiating with Great Britain.<sup>1654</sup>

#### 699. Circulars Denounce Mr. Wanitto as Traitor to Thailand

Previously reported in a dispatch (not available to U.S. cryptanalysts) was the information that circulars were being sent to Japanese residents in Thailand denouncing Mr. Nai Wanitto as a traitor. This information was again sent to Tokyo on September 19, 1941. Although Mr. Nai Wanitto's name had been withheld in the circulars which had been publicized in the Thaisee newspapers on September 18, 1941, nevertheless, such a report was causing a sensation among the Japanese and natives in Thailand. Such blasts were aimed not only at Mr. Nai Wanitto, but at Japan as well.<sup>1655</sup>

<sup>1649</sup> III, 1288. Translated February 12, 1941.

<sup>1650</sup> III, 1288. This message was not translated until February 16, 1945.

<sup>1651</sup> III, 1290. This message was not translated until Januray 31, 1945.

<sup>1652</sup> *Ibid.*

<sup>1653</sup> III, 1291. This message was not translated until March 2, 1945.

<sup>1654</sup> III, 1292. This message was not translated until March 17, 1945.

<sup>1655</sup> III, 1293.

**700. Japan Plans to Establish a Commerical Drug Concern in Thailand**

Mr. Yatagai an agent of a Japanese commercial firm in Thailand informed his home office on September 19, 1941 that the 10,000 yen which were to be used in furthering Japanese commercial schemes had not yet reached him.<sup>1656</sup> Possibly in connection with establishing a Japanese controlled commercial firm, Ambassador Tsubokami suggested that a Chinese, who was not suspected of being a refugee or on some political mission, be sent to Thailand.<sup>1657</sup> In order to get the best results it was thought advisable to equip a shop which would appear to be dealing in drugs which, in turn, would appear to be coming from China.<sup>1658</sup>

**701. The Misuse of Rubber Control Guild Creates Difficulties**

An immediate investigation was demanded by Tokyo on September 19, 1941 when it was learned that the Soviet ship, *Mikoyan*, had entered Bangkok for the purpose of loading rubber. If the report were true, Japanese officials in Bangkok were asked to discover by what means Russia had acquired the rubber.<sup>1659</sup>

In answer to Tokyo's inquiry, Ambassador Tsubokami replied on September 26, 1941 that the *Mikoyan*, after docking on September 15, 1941 had loaded 1000 tons of rubber in addition to some rice. Upon investigation, the Ambassador or his agents had learned from a private report from the customs officials that Japanese shippers were very scarce. Furthermore, it was discovered that in the local Bank of Asia was a letter of credit from Shanghai for 1,000 tons of rubber to be shipped in two lots of 500 tons each, which must be the source of the money for the rubber loaded on the *Mikoyan*.<sup>1660</sup>

**702. Japanese Navy Purchases Rubber Without Consulting the Embassy (September 26, 1941)**

In addition to these facts, Japanese authorities had learned by September 26, 1941 that the Imperial navy had been able to purchase some rubber briquettes which were loaded on the government ship, the *Tatsuta Maru*, thereby making financial arrangements without consulting the Japanese Embassy. As a result, an unfortunate situation existed, for the business concerns had lost faith in the control of the central authorities. Aside from the fact that the recent negotiations concerning gold were postponed, it was possible that a German agent had been sent to Thailand to purchase raw rubber and that the central authorities had lost control of rubber exports to central and southern China.<sup>1661</sup> As a measure of vigor and strength, the Ambassador suggested going above the regular central control system of the companies and compromising on 30,000 tons as the Japanese quota rather than the 35,000 tons previously demanded, insisting, however, that a quota be granted for the surplus needed by Japan.<sup>1662</sup>

**703. Japan Promises Ambassador to Coordinate Purchases Through Its Embassy**

The Ambassador's request that the Japanese demand be reduced to 30,000 tons was granted on October 3, 1941 after consultation between the various Japanese Cabinets concerned. This amount was, however, to be the absolute minimum. In regard to Ambassador Tsubokami's complaint that the central control system had lost its effectiveness, since not only his own countrymen but also a German buyer and Chinese contractors had dealt directly with the rubber firms, Tokyo reassured him that his claim was justified and promised that rubber portions destined for Japan should require permits which would be issued only upon authori-

<sup>1656</sup> III, 1294.

<sup>1657</sup> III, 1295.

<sup>1658</sup> III, 1296.

<sup>1659</sup> III, 1297.

<sup>1660</sup> III, 1298.

<sup>1661</sup> III, 1299.

<sup>1662</sup> III, 1300-1301.

zation of his Embassy. The purchases by Chinese were explained by the fact that in order to utilize military yen, it might be necessary to make purchases through such Chinese abroad, on which occasions, however, the proper regulations would be followed and the Japanese Embassy consulted.

The Ambassador was directed to arrange for the purchase and loading of 3,000 tons or more each month beginning with October, for which transaction arrangements were being made for the transfer of funds.<sup>1663</sup>

#### 704. Wanitto's Signature Creates Disturbance in Shipping Plans

The Chief of the Thailand Trade Bureau protested that his signing of the agreement in Tokyo with Mr. Yamashita had been a private affair and was not necessarily subject to government procedure. He (Wanitto) had, however, asked for reports from foreign shipping concerns in Thailand, and he planned to present data illustrating in how great need Thailand was of Japanese cooperation in establishing shipping facilities. Mr. Wanitto also disclosed that he had suggested to Mr. Yamashita's representative that plans of a private nature between Japan and Thailand might be better than dealing through the Trade Bureau. The Japanese Ambassador, however, doubted that Mr. Wanitto's provisional signature to the shipping agreement was in line with Prime Minister Pibul's ideas on the subject and reiterated that Mr. Wanitto's reputation in Bangkok was, by no means, in the ascendancy.<sup>1664</sup>

On September 26, 1941 Japanese officials in Bangkok learned that it was the firm resolve of Japan to establish the shipping line at all costs. Under Thailand law, government permission was not necessary to establish a new shipping firm; and should the Thai government prefer not to extend active aid, Japan would countenance no interference from the Thai government.<sup>1665</sup>

#### 705. Japan Adds Military Intelligence Men to Thailand Embassy as Non-Career Clerks

Added to the Thailand Embassy Staff as non-career clerks were two Japanese military intelligence agents, Major (or Lieutenant Commander) Fujiwara, and Lieutenant (or Sub-Lieutenant) Yamaguchi. Since they were scheduled to leave Tokyo by airplane on September 29, 1941, instructions were sent to Hanoi that they be met, in view of the fact that these men had left too hurriedly to procure French Indo-China visas.<sup>1666</sup> On September 29, Bangkok was informed that the intelligence agents would arrive the next day.<sup>1667</sup>

#### 706. Japanese Evince Interest in Thai Hospitals and Sanitation

In view of the fact that the Japanese navy had taken over the responsibility of a newly constructed hospital in Thailand, the Japanese Legation on October 2, 1941 asked that a semi-official attached to the Legation be added to the hospital staff. Japanese officials felt that in this way it would be possible to obtain a Thailand license for the hospital.<sup>1668</sup>

Scheduled to arrive in Bangkok October 7, 1941 was a Japanese surgeon with the rank of major who was scheduled to conduct an investigation of sanitation in and around Bangkok during his ten-day stay. On his return trip he was to make an inspection tour of the facilities between two French Indo-China towns.<sup>1669</sup>

#### 707. Thai Troops Stage Demonstration Near Japanese Embassy

On October 3, 1941 Ambassador Tsubokami reported that military preparations were under way in Thailand, the most important of which was the demonstration staged by Thais.

<sup>1663</sup> III, 1302.

<sup>1664</sup> III, 1303.

<sup>1665</sup> III, 1304.

<sup>1666</sup> III, 1305-1306.

<sup>1667</sup> III, 1307.

<sup>1668</sup> III, 1308.

<sup>1669</sup> III, 1309.

troops on the evening of September 29, 1941. The troops had marched near the Japanese Embassy singing a war song. It was reported that for the past four or five nights, market stalls had been set up in front of the Japanese office, and the inside of the office kept under observation.

Not only were the Thaise people becoming extremely nervous, but it was apparent that they were becoming increasingly hostile to the Japanese. Moreover, all travel in southern Thailand was rigidly restricted.

About fifty medium tanks had arrived September 25, 1941 and were posted at strategic points, it was reported on October 3, 1941. Furthermore, Ambassador Tsubokami said that at two points at the river mouth Indian troops were erecting gun emplacements, and on the evening of September 28, 1941 two motor field guns had been transported to an unknown destination in the north.<sup>1670</sup>

#### **708. Japan Declares Its Position in Handling Anticipated Thaise Problems**

Foreseeing the development of a large accumulation of problems pertaining to the launching of Japan's enterprises in Thailand, Tokyo directed on October 3, 1941 that the Imperial Embassy be guided by a set policy which the Japanese Fifth Committee had decided upon.

The general plan in settling individual cases would be determined by the Planning Committee at headquarters, although the management of these matters locally would always be handled by the Imperial Embassy in Thailand.

Preferential handling of individual cases was to be accorded to those enterprises which were essential to the production of vital war materials necessary to Japan, as well as to such enterprises as would be necessary for carrying out any future military or economical plans in Thailand. Preferential handling would also be accorded those enterprises likely to be hindrances to Japanese-Thailand friendly relations.

In cases where a Japanese firm was to construct or take contract on bid from Thailand, the government would designate a certain firm, thereby avoiding competitions between Japanese firms. Furthermore, in pending cases where competition had arisen between Japanese firms, the government would undertake to assist in a speedy adjustment.<sup>1671</sup>

#### **709. Thailand Government Becomes Suspicious of Japanese Actions**

Such competition had apparently arisen between the Mitsui firm and another Japanese company over construction contracts to be awarded in Thailand. However, on October 4, 1941 the office of Japanese Military Attaché at Bangkok notified Tokyo that negotiations were underway on the scheme to award the contracts both for the establishment of beacons on Thailand and for the construction of certain undisclosed projects in the same area to the Mitsui Company.

Because the Thailand government had become suspicious of these projects, Colonel Tamura suggested that Tokyo order Mr. Suzuki and the two others who embarked on the *Melbourne Maru* to leave the ship and that all other Japanese personnel scheduled to be sent to Thailand delay their trip for approximately two weeks. Furthermore, in the future, employees of the Denden Company were to travel as employees of the Mitsui Company.<sup>1672</sup>

#### **710. Japanese Plan to Establish Commercial Drug Concern Progresses**

On October 4, 1941 when Mr. Toyoda transmitted his approval of the establishment of a commercial drug concern in Thailand, he declared that the operation of a drugstore should be not merely for the purpose of carrying on Japanese subversive activities, but that the concern

<sup>1670</sup> III, 1310.

<sup>1671</sup> III, 1311.

<sup>1672</sup> III, 1312. This message was not translated until April 21, 1945.

should also be self-supporting. As to the drugs with which they were to be stocked, Japan would arrange to have these purchased in Japan and Shanghai and shipped to Thailand under the name of some Chinese export firm.

The Foreign Minister asked that he be informed as to the names of the stores and their locations.<sup>1673</sup>

In answer to Foreign Minister Toyoda's inquiry of October 4, 1941 a dispatch from the Japanese Legation to Tokyo on October 10 informed the Home Office that 5,000 baht would be sufficient to open the business, and asked that this amount be sent immediately.

For the time being, it would not be safe to handle articles which were known to have been made in Japan. The Ambassador asked that such articles not be shipped from Japan until his office had telegraphed that preparations were nearly complete.<sup>1674</sup>

### 711. Japan Attempts to Have Thailand Waive Medical Examinations for Doctor's License

Apparently with a view of having Japanese nationals admitted to medical practice in Thailand without the Thailand license, Ambassador Tsubokami was, on October 4, 1941 attempting to obtain various opinions concerning this possibility.

The Thaise Chief of the Bureau of Hygiene explained to him that in doing away with the examination system, legislative difficulties would be encountered since it would necessitate the revision of medical laws and would complicate matters internationally. It would mean the exemption from the examination only of the Japanese, while requiring examinations of British, German, American and other applicants who were either practicing at the present time or who were wishing to practice. Furthermore, a member of the Foreign Office had explained that the granting of licenses without the general examination would be impossible.

It was suggested, however, that it would be preferable to resort to diplomatic procedure, whereby certificates submitted formally through the Ambassador would show that the applicant was a graduate of a school in Japan and thereby considered qualified to practice.

Ambassador Tsubokami suggested that this procedure be followed and that if no progress resulted, further negotiations be continued.<sup>1675</sup>

### 712. Japan Considers Thaise Ruling a Possible Obstacle to the Establishment of Shipping Concerns

According to information from business firms in Tokyo, Foreign Minister Toyoda learned that the Thaise government had issued an order to the effect that in case any firm engaged in lighter service was found to be capitalized by a foreign country, though Thaise in name, its business should be watched. Pointing out that this order could be regarded as an obstacle to the establishment of a Japanese shipping company, he asked on October 6, 1941 that the political significance of the ruling be investigated.<sup>1676</sup>

Eight days later, Ambassador Tsubokami replied that no such order referred to by the Foreign Minister had been issued in Thailand, although there was an increasing tendency in Thailand to watch closely, negotiations which were being carried on with foreigners.

On this subject, especially in connection with the Yamasita Steamship Company, the Chief of the Thailand Trade Bureau said that there should be no objections raised against the investment of foreign capital in Thailand corporations if the procedure were legal.<sup>1677</sup>

<sup>1673</sup> III, 1313.

<sup>1674</sup> III, 1314.

<sup>1675</sup> III, 1315.

<sup>1676</sup> III, 1316.

<sup>1677</sup> III, 1317.

### 713. Japan Negotiates for Food with Nai Wanitto

Although Mr. Wanitto's position was insecure in the minds of the people of Thailand, and Japanese negotiations with him were cautious, the Chief of the Overseas Section of the Food Control Bureau, had nevertheless conferred with Nai Wanitto in the matter of securing contracts for exports. He found that it would be possible to secure contracts for 10,000 tons of food to be shipped in November, December, and January, the price of which would be determined by the present market values.<sup>1678</sup>

The Chief of the Overseas Section of the Food Control Bureau in Japan advised Mr. Matsumoto on October 9, 1941 that the volume of loadings for November, December, and January should be settled by definite contract, and an agreement made on price.

Since this was closely related to credit negotiations, he asked that arrangements regarding future buying be started.<sup>1679</sup>

### 714. Ambassador Tsubokami Suggests the Protection of Wanitto in Countering British Propaganda Activities

Reporting on October 9, 1941 that Mr. Puromu had appealed to the officials that there were no indications of the government's resigning following the incident in which suspicions were cast upon Nai Wanitto, Ambassador Tsubokami declared that Prime Minister Pibul was making an effort to soothe the irritated Puromu and bring about unity in the Cabinet.

Nai Wanitto disclosed that there was bad feeling between Prime Minister Pibul and Mr. Puromu but that he did not exactly know the cause.<sup>1680</sup>

According to a dispatch from Tokyo on October 11, 1941 the Japanese Foreign Minister declared that Japan should protect Mr. Wanitto lest the British learn of his activities and denounce him, as a part of their propaganda, as a traitor.

The Japanese Foreign Office, War and Navy Ministries were agreed that a firm policy should be followed in Thailand to counter British influence.<sup>1681</sup>

Almost defensively, the Japanese Ambassador in Thailand reported that all he had done was to tell Mr. Direck that "Plenty of other things besides the Nai Wanitto affair are harming British-Thaiese relations".

A commission however, to investigate the matter had been organized in Thailand, composed of Mr. Purajitto, Mr. Direck, Prince Dyakara Varnvai, a councilor in the Thaiese Foreign Office, and two others. That the commission was endeavoring to bring Mr. Wanitto to trial for breaking the law was apparent.

Nai Wanitto said that Mr. Pibul was trying to get him out of trouble but opined that any direct appeal which the Japanese might make to Mr. Pibul would seem that the Japanese were "meddling overmuch". It would not do to give the Thaiese the impression that Japan was bringing pressure to bear upon Mr. Pibul, since this would do Mr. Wanitto more harm than good.

The best thing to do to help the man, Ambassador Tsubokami said, was to publish articles in Japanese newspapers and have Domei wire them to Thailand.

Two facts, Ambassador Tsubokami emphasized in this dispatch, were that the restoration of lost territory to Thailand was due to the efforts of Mr. Wanitto, and that Japan found upon investigation, Mr. Wanitto possessed not one cent in savings anywhere in Japan.<sup>1682</sup>

<sup>1678</sup> III, 1318.

<sup>1679</sup> III, 1319.

<sup>1680</sup> III, 1320.

<sup>1681</sup> III, 1321.

<sup>1682</sup> III, 1322.